

MINUTES

BOARD OF ARCHITECTURE AND INTERIOR DESIGN

Division of Professions
Northwood Centre
1940 North Monroe Street
Tallahassee, FL 32399

July 10, 2003

Privatization Meeting

July 10, 2003

1:00 p.m.

Board Members Present:

Sharon Del Bianco
Ellis Bullock
Miguel Rodriguez
Neil Hall

Others Present:

Juanita Chastain, Executive Director
Terri Estes, Government Analyst
Michael Murphy, Bureau Chief of Central Intake Unit and Licensure
Jonathan Epstein, Director of Service Operations
Suzette Wilder, Interior Design Association of Florida
Scott Shalley, AIA, Florida
Julie Baker, Deputy Secretary, Department of Business and Professional Regulation
GW Harrell, Attorney Counsel, Division of Professions and Regulation
Arlene Forbing, Central Intake Unit
Leon Biegalski, Special Counsel to the Secretary, Department of Business and Professional Regulation
Tom Parks, Central Intake Unit
Jerry Wilson, Deputy Director, Department of Business and Professional Regulation
Lianne Acebo, Deputy Secretary, Department of Business and Professional Regulation
Ken Oliver, Bureau Chief, Finance and Accounting
Kirsten Olson, Central Intake Unit
Ken Walling, Bureau Chief, Customer Contact Center
Julie Malone, Executive Director, Board of Cosmetology and Barbers
Rita Taylor, Central Intake Unit
Diane Carr, Secretary, Department of Business and Professional Regulation

The meeting began 1:10 p.m. Deputy Secretary Acebo commented that the department areas would be giving presentations regarding the services they provide to the board and the

licensees. She continued by stating that they would give the board members a tour of the different department areas; i.e., Customer Contact Center, Central Intake, and Finance and Accounting.

Mr. Rodriguez commented that this was a workshop only and not an official board meeting.

Mr. Walling provided a handout and gave a presentation on the Customer Contact Center. He commented that he would like to give insight as to why the department created the Customer Contact Center. He commented that prior to the reorganization of the department a feasibility study was conducted, which highlighted areas of concerns. He continued by stating that one of main concerns was a lack of a single point of entry into the department and that there were more than 200 different telephone numbers published throughout the state. He stated that it was estimated that there were over one million telephone calls that were going unanswered. He stated there were more than 20 different telephone systems that could not communicate with one another. He continued by stating that there was limited monitoring and tracking of workload measurements related to customer service. Mr. Walling stated that staff was spending more than 40 percent of their time interacting with customers, which took away from the time they could perform core duties.

Mr. Walling stated as a result of the study a comprehensive strategy would be implemented on centralization i.e. Customer Contact Center and Central Intake Unit. He referred the board to the handout outlining the Key Changes and Key Benefits of the Customer Contact Center. He stated that the Customer Contact Center is staffed and they can monitor peaks and lows in workflow. He commented that the Customer Contact Center offers the licensee a single point of entry to the department reduced the number of unanswered telephone calls, and calls being transferred from one board to another board. He commented that the citizens and licensees contact the Customer Contact Center rather than the individual program areas, which resulted in misdirected calls being reduced. He stated that the Customer Contact Center filters the telephone call and resolves a majority of them, which reduces the number of telephone calls to the program areas.

Mr. Walling stated that as a part of the reengineering project there are four ways to contact the department, which are internet portal, interactive voice response (IVR), Customer Contact Center which has 83 representatives, and mail or e-mail. He commented that this allows the public and license holders the ability to interact with the department 24 hours a day and 7 days a week.

Mr. Walling stated the telephone system recognizes the call based upon the options pressed and directs the call to the agent that can assist them best. He commented that they are cross training all of the agents so they can assist the public more quickly. He stated that the calls are segregated into three categories, Tier 1 and Tier 2 are handled within the Customer Contact Center based on the frequently asked questions provided by the board offices. He commented that Tier N calls are routed to the Program Areas outside of the Center to the most appropriate person that can assist the caller the best.

Mr. Walling stated that the Customer Contact Center takes ownership of the calls that come into the department and they can monitor the calls and resolutions of the calls. He stated that the only calls that are routed to the board offices are ones that require their specific knowledge, which allows board staff to concentrate on their core business functions with the boards, associations and special interest groups. He referred the board to the page 4 of the handout noting the number of telephone calls received in the Customer Contact Center. Mr. Walling commented that there were 8,853 Calls to the Center, 6,551 were calls handled by agents, 196 were abandoned calls, and 896 were referred to the board office or central intake unit.

Mr. Walling stated that the role of the Customer Contact Center was established to provide quality customer service by responding in a professional, prompt and courtesy manner to all customer inquiries related to your board type. Mr. Rodriguez asked if they were tracking satisfaction of the calls. Mr. Walling responded that they currently have a limited satisfaction survey and they are implementing a program to enhance this need. Mr. Rodriguez commented that the abandoned calls are callers that chose not to wait for assistance or were dropped off of the system. Mr. Rodriguez commented that presumably some of the 35 percent of the self-service calls could have had a similar ending or not received the information wanted. Mr. Walling replied yes but they cannot track that currently. Mr. Walling commented that they have instituted a call monitoring of the agents where the supervisor will score, rank, and give feed back on their calls.

Mr. Rodriguez stated that there was a probable cause case where there were numerous e-mails to the department and they were not able to resolve the issue. He commented that is why he asked about the customer satisfaction rating. Mr. Walling stated that they have software that can track the types of calls and the resolution of that call.

Mr. Hall commented that he was personally one of the 3 percent of the abandoned telephone calls. He stated that he was trying to get a permit for a jazz club. He contacted the local telephone number and it was disconnected. He stated that he was 2 minutes away from the Alcohol, Beverage, and Tobacco permitting office in Tamarac and he was required to contact Tallahassee. He stated that he abandoned the telephone call 3 times. He asked if they could resolve the problem, if the retained the local office but required all individuals to contact Tallahassee. Mr. Walling responded that the old telephone number should have automatically been routed to the Tallahassee Customer Contact Center. Mr. Hall responded that he would have preferred that method as opposed to contacting the local or old number and been told it was disconnected.

Secretary Carr thanked the board for inviting the department to visit with them today and the opportunity to offer a perspective on how the department would like to work closely with the board to up the department's game. She continued by stating the department is a work in progress having been fortunate to be the beneficiary of state of the art technology. She stated that the department is trying to reap the appropriate return on the investment in terms of hardware. She stated that they are matching the appropriate people with the technology such that they have the appropriate compliments in place and they are looking for input from the

board's regarding their needs so the department may best serve the boards. Secretary Carr stated that she appreciated this being an informal venue.

Michael Murphy with the Central Intake Unit and Licensure Services gave his presentation to the board. He stated that he was the new Bureau Chief and had been with the Central Intake Unit since April 2003. He commented that his task ahead was to up their game, increase accountability, and increase returns on the investments for our services. Mr. Murphy stated that he was trying to implement more of a business approach to delivering licenses. He stated that he has looked at key elements within the department and determined that there were serious challenges in accountability, skill sets and leadership. He continued by stating he began initiatives such as aligning the work with the mission of the boards that they serve. He stated that there was a lot of uncertainty and lack of direction. He commented he was there to get the house in order to move forward.

Mr. Murphy stated that the unit did not have an equal share of accountability. He stated that they were now able to account for the funding for the services the boards received. Mr. Murphy stated that he implemented performance plans, performance indicators, and performance measures from the Bureau Chiefs down to the individuals on the front line. He stated that their unit was in the process of aligning those with the funding. Mr. Murphy stated that in the next sixty to ninety days they would be able to provide the board what Mike Murphy does to deliver services for the board, accountability and the investment made for his services that the board contracts. He stated that information would be used to improve their performance for the boards and continually increase the services to the boards.

Mr. Murphy stated that the benefits are that the employees understand what their responsibilities are and that they will be held accountable. He stated that the board would have information that indicates this is what you spent and these are the services you received. He stated that the intent was to continually reduce costs, improve service, and increase the return on their investment. Mr. Murphy stated that the number of full time employees that they fund could perhaps deliver more services than what the board originally contracted. He stated that they would become a very good investment for the board.

Mr. Murphy stated they have identified performance plans, performance evaluations, and hired a training manager that would work within the Division; i.e., Central Intake Unit, Customer Contact Center and Education and Testing. He stated that the training program was geared toward skill enhancement, skill maintenance, leadership, and accountability training. Mr. Murphy stated that they were working on improving the technological approach, which includes bar coding in the file management system and document imaging to improve availability of information.

Ms. Del Bianco asked Mr. Murphy how the web applications were going. Mr. Murphy responded that they had seen an increase in the use of the web applications. He stated that they were improving the process. Mr. Murphy stated initially the demographics of the web applications were being submitted but staff was not aware of them being on the system. He stated that staff has been assigned to pull the web applications off of the system on a daily

basis and contact the individuals. Mr. Murphy commented that it was not growing as quickly as they anticipated but they are working to improve the process.

Mr. Hall asked if they evaluated the various boards to determine which was more technology friendly or competent. Mr. Murphy replied that they are currently not doing that but they are setting up individual meetings with the various Board Executive Directors to gather information regarding that issue. He stated that this was part of his operational plan, which would be addressed in the next twelve to twenty-four months to address issues in the Service Level Agreements.

Mr. Rodriguez commented that he wanted to recap what was presented so he understood what the Central Intake Unit does. He stated that the area takes in the applications, loads the data in the database, and handles the paperwork. Mr. Rodriguez asked Mr. Murphy what level if any was the extent of the review, how much does your area do and what are they checking for regarding the contents of the application. Mr. Murphy replied that the process starts with taking in the funds of the application, deposits the funds, profiles the application in the system, and then the application is forwarded to the appropriate specialist that works with each profession. He continued by stating in the past there was no assessment of that product until we got feedback that there was something wrong with application. He stated that renewals and initial applications which were separate in the past have been regrouped together to bring back consistency. He continued by stating that Ms. Forbing has instituted in most areas identifying problems. Mr. Murphy stated that they track complaints on a spreadsheet and report those on a regular basis. He stated that they are developing a self-assessment program that assesses skills and end product. He stated that in some areas they are doing this at 100 percent and other areas they are at 30 percent.

Mr. Rodriguez commented that one of the board's concerns was the streamlining of the applications and them being placed on the web. He continued by stating the board spent a great deal of time crafting the application so that the duplicity of the questions was there for a purpose. He stated that they have a significant incidence of unlicensed activity that is aided by applications being processed and items not being caught. Mr. Rodriguez stated that some of the duplicity was lost with streamlining. He stated that a question was identified two board meetings ago where a question needed to be added to identify the qualifier and responsible supervisor in control of a firm. He stated the need for that was to track and verify that a qualifier was in place because firm licenses were being renewed without a qualifier and therefore the certificate of authorization should expire. Ms. Del Bianco commented that she and Terri Estes reviewed and made changes to the applications at the last meeting. Ms. Estes confirmed that the changed applications were not on the web as of yet, however, the issue was the responsible supervisor in control. Ms. Estes continued by stating the information regarding qualifier and responsible supervisor in control is a required entry in License Ease prior to a certificate of authorization being issued. Mr. Rodriguez commented that there should be a closer integration of information between the different units and what is being provided to the board. He stated that would avoid a three-month lag time. Mr. Rodriguez commented that the database is not checking itself for the required entries and certificates are being renewed and should not be.

Mr. Rodriguez stated that the board would like to see during the renewal process to forward information. He stated they would like to place a reminder in the renewal package that you must also renew your certificate of authorization. Mr. Rodriguez stated that they have had issues in the past where because certain duties are handled in another area they were not able to accomplish what the board would like. He stated that was one of the reasons the board would like to privatize so they could take control of all of the functions. Mr. Murphy stated that the License Ease system has options that could improve the process and they were working with Accenture to modify the system. He stated in short term that they are proactively looking at areas and identify they would benefit the process. He stated that they would implement the process then they would be evaluated on those processes. Mr. Murphy stated they have raised the bar and some individuals are having a hard time adjusting. He stated either they adjust or find another job because they have raised the level of expectation.

Mr. Bullock stated that the profession requires continuing education for re-certification and he feels that we are remiss in the renewal process. He stated that he would like to see the individuals list their continuing education information including the course name, numbers, and hours. He commented that the board is consistently dealing with individuals that have not completed their continuing education requirements. He suggested a sheet in the renewal packet where an individual could list this information.

Ms. Del Bianco asked if the 859 applications for calendar year 2003 were for January through June. Mr. Murphy replied in the positive. He continued by stating it was a cumulative total and did not include two months because the data was not available. Ms. Del Bianco stated that was for four months and thought it was a high number. Mr. Biegalski stated that includes deficient applications in the total.

Ms. Del Bianco commented that renewal notices are returned because the department has return requested and the notice fall into a black hole. She stated that the board has a lot of licensees that go into a delinquent status then null and void because they moved. Ms. Del Bianco commented that the board would like the board office to receive notice of those individuals. Mr. Murphy stated there was certainly a way and that was one of his concerns when he took over this area. He continued by stating there was a significant number of applications that were becoming null and void because no one took action on them. Mr. Murphy stated that they have already implemented performance measures for our staff that says they must go out and work the applications and follow-up with an individual regarding deficiencies on applications so the application does not expire and then the individual must reapply again. Ms. Del Bianco commented that she was referring to renewals. Mr. Murphy responded that it was the same philosophy with renewals to follow-up on these items, not allow them to lag and resolve the issues. Ms. Del Bianco commented that the board did not want to tell individuals you didn't pay your bill, you didn't notify the department that you moved, and unfortunately you do not meet today's requirements for re-licensure. Mr. Murphy replied that he agreed and stated that was totally unacceptable that staff, would under his leadership say that this item is not required in statute and it's not in our Service Level Agreement so we have no responsibility to resolve the issue. He stated that they are about customer service and they would like to find these types of opportunities to go out and assist licensees.

Ms. Del Bianco commented that she understood that there was the ability to go onto the web site and change personal and business data and the historical data is lost or triggers inconsistencies. Mr. Murphy replied that he was not sure of the retention information on that data but would find out and provide her with that information.

Mr. Harrell stated that he did not think from an enforcement perspective that having individuals list their continuing education would be beneficial. He stated that the department this year implemented the 100 percent compliance and monitoring of continuing education for all professions including architects and CPA's. He stated they have been gathering data from the providers and the department has the ability to determine who is in compliance and who is not. Mr. Harrell stated that at renewal time the individuals would be notified prior to renewal that they are deficient and they will be allowed to renew the first time. He stated then they would be issued a continuing education deficiency letter 30 days after the renewal date and they would not be allowed to renew the next time until they come into compliance. Mr. Harrell stated that they would have the option to issue citations in mid cycle to individuals that were not in compliance. Ms. Del Bianco stated that the Board of Architecture and Interior Design was exempt from the continuing education requirements. Secretary Carr stated that the department considers this to be a very high priority. She stated that they were revisiting the entire administrative rule that governs this process. She stated that they would like the Rule to be board friendly, licensee friendly but very accurate.

Mr. Ken Oliver, Bureau Chief of Finance and Accounting gave a presentation. He stated that he has been in his current position for one month. Mr. Oliver stated that this was a brief overview of the financials and they still had a month to go to have a complete year's worth of information. Mr. Oliver stated that they would focus on the March financials and referred the board to the Statement of Net Assets. He commented that there was some growth in the cash, which were deposits and full investments of State Treasury with an increase of about \$300,000. He commented that this year was a renewal cycle. He commented that the main liability was the accrued liabilities which 2002-2003 they began doing quarterly accruals. Mr. Oliver stated that they were in accordance with general accounting principles for comparative purposes. He stated that was the reason there were no liabilities for 2002 but they were reflected for 2003.

Mr. Oliver referred the board to the Statement of Revenue Expense with quarter ending March 2002 and March 2003. He commented that the revenues increased significantly with the renewal cycle and expenses were also increased. He stated that last year there was a deficit of \$330,000 and as of March there was a surplus of \$610,000. He stated that increased the net assets by \$250,000 or so. Mr. Oliver stated that the next column was an estimate for the next year. He stated that the expense was a difficult number to determine. He stated he took the expenses as of March and annualized them. He stated it was not the most scientific approach but for this presentation thought it would be helpful information. He stated that for the year it would leave a surplus of \$500,000. He stated the Net Assets would be approximately \$1.3 million. Mr. Oliver commented that looking at just one year does not give the full picture because they were just in a renewal cycle. He commented that he tried to provide an estimate for next year for them to see the impact of a two-year cycle.

Mr. Oliver stated that he left revenue basically flat for 2001-2002 cycle. He stated that there was actually more revenue than \$270,000 but there was interest earned and refunds from the Administrative Trust Fund, which you cannot always count on. Mr. Oliver stated that he was conservative with the revenue figures for 2003-2004 and expenses remained the same from this year to next. He stated that would lead to a deficit of a little over \$800,000. He stated between the two years when you combine the renewal cycle and expenses for two years there could be a deficit of approximately \$330,000. He stated that this does not include the legislative cash transfer that will happen before the end of the year, which may be \$25 million from the department's trust fund to the general revenue fund.

Mr. Oliver commented that he did not know the amount or impact to this board. He stated that last year \$270,000 was transferred and recognized in the March 2003 information. He stated that was \$270,000 on \$7.5 million. Mr. Shalley asked Mr. Oliver what was the total balance in the trust fund and what percentage of the total trust fund would be \$25 million. Mr. Oliver replied that he thought there was about \$35 million in the trust fund.

Mr. Oliver commented that there were approximately 14,000 licensees and someone from the board mentioned a fee increase of \$25.00 per licensee. He stated with that amount the board would make approximately \$350,000, which would break even. Ms. Del Bianco asked why would just be breaking even. Mr. Shally responded that when the board negotiated the amount for the privatization of the investigation and prosecution contract they were provided a number by the previous administration that the department currently spent and if that was an acceptable amount. Mr. Shalley continued by stating that they (AIA Florida) were asked if the amount presented was an acceptable amount and they agreed that it was because there was no other historical data available. He stated that not long after the contract was implemented they met with the former Deputy Secretary and other financial personnel regarding the amount and determined that the number provided was incorrect. Mr. Shalley stated that the amount greatly exceeded the number by approximately \$150,000 more than what the previous allocation was for prosecutorial and investigative costs. He stated that this contract immediately put the board in a deficit because the other expenditures remain constant. Mr. Shalley stated that it was frustrating and it was never their intent to have the board operating in a deficit.

Mr. Rodriguez asked Mr. Oliver to verify that the transfer of the sweep was \$270,000 of the \$7.5 million. Mr. Oliver replied in the positive and stated that it figured to about 3.6 percent. Mr. Rodriguez stated that if Mr. Oliver was correct that the Trust Fund was at \$35 million and they are going to sweep \$25 million that is approximately 72 percent. He continued by stating if they sweep more than \$528,000 out of the board's funds they would have a problem operating next year. Mr. Rodriguez commented that next year is an off cycle with no renewal and he was wondering how they were going to pay for this. He asked if they were going to have to stop operating next year or were there some creative financing or fuzzy numbers out there. There was no response.

Mr. Rodriguez stated that the board was there to consider two aspects, the first and primary one really seems not doable until 2005 and the second is how to find a way to implement earlier than the next renewal cycle and cover the gap to move forward with privatization. He

stated it appears that it will be more difficult than they initially thought. Mr. Rodriguez stated that they have been discussing privatization for 7 years. He stated that it was painful because he has lead the charge on Mr. Shalley's side of the table for years and now that the department is supportive only to have the doors slam because of a budget crunch. Mr. Rodriguez stated that what they have privatized has been effective. He stated that they were not going to give up and that was the reason they were here to have the meeting.

Mr. Rodriguez complimented the current administration for providing the budget information. Deputy Secretary Acebo commented that she guaranteed them that they would have the numbers available and they would be correct.

Mr. Rodriguez asked if the revenues on the off years were primarily licensure fees. Mr. Oliver replied in the positive and indicated that the numbers included fines. Mr. Rodriguez stated that was another issue, he asked were the unlicensed activity funds were going if they went into general operating funds or the unlicensed activity account. Mr. Oliver replied that the he did not focus the numbers on the unlicensed activity funds. Mr. Oliver stated he had financials available that should include that information.

Ms. Del Bianco thanked everyone for attending and stated that she can tell a difference in the administration and their desire to be proactive instead of reactive. She stated that she still had tremendous concerns regarding their licensees receiving the wrong information when they contact the Customer Contact Center and the applications being reviewed correctly. She stated that someone processing multiple board's applications she finds difficult to believe that they understand all of the statutes and rules that pertain to each board. She stated that she doesn't believe it would ever be effective.

Mr. Rodriguez stated that his previous Customer Contact Center experience was not pleasant. He stated that he would agree with Ms. Del Bianco that the complexity of the different boards would not be best served by the Customer Contact Center. Mr. Rodriguez stated that it was fine for a central contact point and that was a tremendous value. Deputy Secretary Acebo stated that if the person that answers the telephone call is unable to answer the question it is immediately transferred to the board office. She stated that they are being taken care of. Mr. Epstein stated that there is a skill set and if the answer is not in the frequently asked questions then the call is sent to the board office. He agreed with the assessment of the Call Center and that there will be questions that the individuals will not want the Call Center to answer and they should be transferred to the appropriate area.

Mr. Rodriguez stated that the real purpose of a Call Center is to limit the number of calls going to the Tier N. He continued by stating that when you get into the Tier N issues you must send the call to the Tier N area, which consists of one and half persons. Deputy Secretary Acebo stated that they were reassessing and reanalyzing the personnel issues and it will be addressed. Mr. Bullock asked in what form would it be addressed. Deputy Secretary Acebo stated that if it was identified that additional staffing is needed then they would propose the need and handle the issue. Mr. Epstein stated that they are looking at the Service Level Agreement between the boards and the Customer Contact Center and Central Intake Unit (CIU) relating to the types of services they provide and what the board is comfortable with the

units providing. He stated that the board holds the key to what would be allowed to be handled by the Call Center and CIU.

Mr. Shally stated that the board has to determine which path to travel. He stated that as it relates to the Customer Contact Center and Central Intake Unit if it is ever going to work it should under the current administration. He stated that the current Secretary has relocated her office to the Northwood Centre and she is involved in the day to day operations of the department. He stated that there are two models out there, the centralized/generalize approach and then there is the specialized approach through Florida Engineering Management Corporation (FEMC). Mr. Shalley stated that he would personally and philosophically argue that they have their own call center known as a receptionist who becomes very familiar with types of calls and provides consistency and specialization even at Tier 1. He stated that he has not been provided with information that FEMC staff has been overwhelmed with trivial calls for simple items that distracts from their day. He stated that maybe there is something to getting straight to a person. He continued by stating that AIA receives a high volume of telephone calls that are very frustrated with the department trying to receive an answer to a question. He stated that in some cases it could be that a person does not want to wait and always wants to speak to a person. He stated that in other cases it takes too long to receive an answer that core staff could answer quickly.

Mr. Shalley stated that ultimately the board has to determine if they are comfortable with the progress being made within the department and it deserves a chance. He continued by stating if the board feels that privatization is the path to take, they should be significantly concerned and roll up their sleeves because the board has a lot of work to do. Mr. Shalley stated that he does not necessarily agree that the fiscal issues are constraining because they are the same either way. He stated that while the privatization discussion has gone on for seven years it was more accurate to say that the specialization discussion has gone on for those years as well. Mr. Shalley stated that AIA's position has always been that these are separate and distinct professions and that specialization is the key to operations. He stated when you detract from specialization and move to generalization that is where the system breaks down. He stated that it is not privatization for the sake of privatization, it has been privatization for the sake of specialization for efficiency. Mr. Shalley stated that they are not ready to advocate either direction. He stated that they would like to be cooperative with the Secretary's goodwill and the department. He stated, unfortunately, if you start with a model that is flawed then it is difficult to get where you want to be.

Mr. Rodriguez stated that he has a lot of respect for the individuals in the room and that if this is going to work it would happen under this administration. He stated he has personally been down this road at least two times before and seeing what they have done with the disciplinary side, he would be a voice on the board towards privatization. Mr. Bullock agreed. Mr. Rodriguez stated that it is about specialization of dedicated staff. He stated that he agreed with Ms. Del Bianco that she has been on the board for seven years and she still must open the laws and rules for information. Deputy Secretary Acebo asked how one and half-staff could handle 8,000 telephone calls. She stated that they are in the process of training and working to take specialized calls in the Call Center. She stated that it was too simplistic to say that one person could take all of the telephone calls. Mr. Shalley stated that in his office one

person takes all of calls from applications to more detailed questions. He stated he does not agree with all of the FEMC model, however, one of the complaints that he has never heard was the call volume was too high and he feels it is because of the specialization of the staff taking the calls.

Mr. Epstein stated that the frequently asked questions that come into the Call Center basically answer a large majority of the Tier 1 calls. He stated that an agent can provide guidance and they have knowledge of the License Ease system. Mr. Epstein stated that the advantages to the Call Center are flexibility and consistency in terms of the delivery to customer. He stated that those items should be considered regarding the quality of the product being offered by the department. Mr. Rodriguez stated that 8,800 calls are connections to the department. He stated that could include quality time with music on hold. Mr. Rodriguez stated that what is not accounted for of the 8,800 calls are second and third call backs. He continued by stating, of those numbers it is a connection made. Mr. Epstein stated that they should be able to give the board a better understanding moving forward of the quality and tracking. He continued that the licensee has been given numerous options regarding assistance an example is the Interactive Voice Response System (IVR). Mr. Epstein stated that the board should see a significant progress in regard to wait times and response times with the improvements they have put in place. He stated that the board should see an improvement in the quality of service across the board. Mr. Rodriguez stated that is why he was interested in tracking the satisfaction rating to get a sense of how many times they have tried to receive an answer.

Deputy Secretary Baker commented that she served as Executive Director with FEMC and stated that Mr. Shalley was right regarding that they are specialized and the OPPOGA report indicates that they are more efficient at a higher cost. She continued by stating that the department was not saying that they did not want to work with the board to privatize, however, when they got to the budget issue and the question was raised how would they be able to offer a contract with little amount of money. Deputy Secretary Baker stated that is why the department is here to try to help the board work through the budget issue. She continued by stating that FEMC does have specialization, however, there are pros and cons to that as well. She stated that when she contacts the Board of Engineers she is more than likely put on hold or leaves a message and someone will get back with you. She stated that with our system multiple people could answer the question immediately.

Mr. Bullock asked what was FEMC's revenue. Deputy Secretary Baker responded that she was not aware of the revenue but the appropriation was \$2.7 million per year and they have a significant number of licensees. She continued by stating that their cash was fine and they have a surplus.

Secretary Carr stated that they were not at the meeting to be obstructionist but to provide the best information so the board could make an informed decision on how to advance the cause. She stated that the fiscal situation in a larger context that other boards are frustrated as they've been with the Trust Fund sweeps. She stated that the fiscal situation for the state as a whole continues to be so stressed and struggling that there is still talk of doing away with the Trust Funds totally. She stated that it is one thing to have Trust Funds swept and it is entirely another thing to have to be dependent upon general revenue, which you have to fight for.

Secretary Carr stated that she felt she needed to share this with the board. She stated that the fiscal situation is fluid.

Mr. Rodriguez commented that he was aware that this administration was not being obstructionists. He stated that focusing directly on the privatization issues that the board has heard from practitioners that they would not oppose an increase in fees as long as it was done right. He stated that if they increase fees and four years from now when the board members have changed and then the money is not there. He stated personally he would not notice an increase of \$25 or \$30 however, there is a certain amount of accountability and what they are funding. Mr. Rodriguez stated he would like to see accountability for the fee increase. He stated that when the Governor decided to do a fee waiver the consensus was don't give me money back just do a better job with it. Mr. Rodriguez stated that the board was there to get a realistic idea of what the number needed to be to privatize.

Mr. Shalley stated that they would not necessarily support the fee increase until the integrity of the funds is insured. He stated that the discussion of the fee increase was for the purpose of improving the service through privatization or through the department. He stated that the day they spend \$100 less then they brought in that the department doesn't steal it at the end of the year. Mr. Shalley commented that he has less concern that if the Trust Funds are done away with entirely, then the board has to stand or fall on their own. He stated that the funds are autonomous and the board lives or dies based on the revenue stream. He continued by stating if the board operates within their revenue stream that would be spectacular. He stated that the Secretary has a larger challenge because she has boards that are self-sustaining and then there are smaller boards that need assistance. Mr. Shalley stated that the statute states that boards need to operate in a self-sustaining financial situation. He stated that the intermingling hurts some boards.

Mr. Rodriguez stated that when the Governor did the fee waiver the threshold was \$50 to operate based on the number of licensees. He stated that they are looking at \$125 to be able to fund privatization. He stated that would be an increase of \$25 from the current \$100 renewal fee. Mr. Rodriguez stated that he did not think licensees would have a problem if the fees were dedicated solely for the privatization. Ms. Del Bianco commented that architecture and interior design are unique professions and they are generally practiced in multiple states. She stated that Florida is far ahead of the nation regarding legislation however, enforcement was the biggest problem and the board was pleased with the privatization of that function. She stated that the privatization of that function has worked very effectively.

Mr. Rodriguez stated that there is a health, safety, and welfare aspect to that. He stated that there is a Florida licensee that was located in New Hampshire was aiding the unlicensed practice of someone in Ft. Myers. He stated that the signing and sealing by federal express is an example and that is the ramifications of being an international profession. He stated that was one of the reasons for the responsible supervisory control question on the application.

Mr. Shalley stated that he encourages the board to reengage in the discussion about 100 percent continuing education monitoring. He stated that they were in agreement with the idea of continuing education standards and there should be 100 percent compliance. He continued

that there are problems with the multi-state practices. Mr. Shalley stated it was an admirable goal to be proactive to offer provider friendly and licensee friendly continuing education. Mr. Rodriguez stated that the problem was the rule was written without the input of the board.

Mr. Rodriguez stated that there are only six states that are not talking about mandatory continuing education. He stated that the rest are discussing implementing the rules to require continuing education. Mr. Rodriguez commented that the problem with mandatory requirements is it did not take into account existing continuing education systems. He stated that our system wiped out half of the mechanisms for our practitioners to self-report. He stated that continuing education is a life long learning and as a professional responsibility they should complete continuing education. Mr. Rodriguez stated he would like to see this issue resolved.

Mr. Hall asked Mr. Shalley how the board closes the gap in the next two years in terms of privatization. Mr. Shalley responded, independent to the privatization discussion, the board has a revenue problem. He continued by stating either they increase their revenue or decrease expenditures. Mr. Shalley stated that the expenditures the board has are fixed. He stated that they have a responsibility to look at the enforcement contract because it was a first time contract and they need to determine if the fee is too high or low. He commented that was a variable that would have to be renegotiated. Mr. Shalley stated they should look at that contract objectively and determine if it is reasonable in terms of the caseload. He stated the second thing would be to embrace the collaboration and get a better understanding of how the department spends the money that they have. Mr. Shalley stated that they would need to work with the department to determine what the fee would be to break even and then to privatize. He stated that the board would have to determine that they have this much money for the enforcement contract, License Ease, general revenue assessment, which are items that will come off the top. He stated that afterwards they have lets say \$450,000 left and the board must determine if they think that money is spent more effectively in the department or outside of the department. Mr. Shalley stated Trust Fund or no Trust Fund if you go with the department you could be secure that the lights will not go out however, if you are private you are on your own.

Secretary Carr stated that was an excellent characterization of the analysis that needs to be done. She stated that the department would assist the board. She stated that in her short time with the department that a board did privatize approximately four year ago and because this analysis was not done they are now trying to give it back to the department. Mr. Shalley stated that he would encourage the board to take a tour and then tour FEMC so they could compare. He stated that FEMC benefits because they could afford to have items taken off the top of their budget and still operate. He stated that FEMC did not result in an increase in fees and they were not put in a deficit because the cost was higher to privatize.

Ms. Del Bianco asked Mr. Oliver to go through static costs that would not go away if they privatize. Mr. Oliver provided a handout that outlined cost allocation methodology. He stated that they have listed the cost and hours from the data from the Call Center and Central Intake. He stated that it is determined based on hours worked per board.

Mr. Hall asked if there would be a line item for customer satisfaction. Mr. Epstein stated that they would get information in the future regarding customer satisfaction. Mr. Hall stated that with the enforcement they have seen a great deal of customer satisfaction. Mr. Bullock commented that they are currently catching up and that will level off.

Mr. Shalley commented that the rough figures the board are \$880,000 of revenue per year and fixed expenses of \$375,000 for the enforcement contract, \$97,000 per year for License Ease fixed contract non-negotiable, \$35,000 per year that is general revenue assessment, \$15,000 per year to DOAH, and then you have \$16,000 that is a pass through expense for the Attorney Generals office. He stated that roughly \$240,000 is what you have left over to do everything and that is why the board is in a deficit now. He continued by stating if the board tried to privatize now they would not have enough money to do it effectively. He stated that the static costs are the enforcement contract, general revenue, License Ease, and DOAH.

Mr. Rodriguez asked if the financial statement provided was through the quarter ending March 31, 2003. Mr. Oliver replied in the positive and stated it was the first three-quarters. Mr. Rodriguez asked why the service charge to general revenue of 7.3 percent was significantly higher from 2002 to 2003. Mr. Oliver responded it was based on the revenues generated. Mr. Rodriguez asked how long before they would have year end financial figures. Mr. Oliver replied that they were still working on them and they may have them available early September.

Mr. Rodriguez commented that he would feel more comfortable working with a year-end figure instead of quarterly reports. Mr. Oliver commented that everything is so new and there were start up costs they may or may not come up next year. Mr. Rodriguez stated that at the end of the day when you talk about privatization/specialty, what they are really talking about is that they have resolved a problem area, which was enforcement. He continued by stating if you look at the rest of the areas, you are really talking about a bunch of small things. He stated that people can't get a straight answer and he thinks there is a function for the Call Center even in a privatized area. Mr. Rodriguez commented that he agreed that there should be one telephone number even if they are funneled to the board office. He stated that what this is really about is having the specialized knowledge to be able to answer the questions hopefully on the first call. Mr. Rodriguez commented that call backs are not necessarily a bad thing it's the one's that never come. He stated that little things like the wall certificates not being issued for three years continues to be frustrating or even a newsletter not being mailed. He commented that they are beyond the application process because they have their own reviewer. Mr. Rodriguez commented that maybe there is a hybrid model that could be accomplished and he was still leery of doing board administrative functions within the department because of cross training.

Deputy Secretary Acebo stated that cross training is good because during peak periods they could utilize staff to assist your area. Mr. Rodriguez commented that generally speaking that was a good theory.

Ms. Del Bianco stated that historical knowledge gets lost when people move on or up. She stated that part of the consistency the board is looking for is the individual that will have that

and you can not teach that in cross training. Mr. Rodriguez stated that the board is fairly new and the historical data is lost especially when the staff is constantly changing.

Mr. Rodriguez commented that they have received a lot of information today and they would like to work through it. Mr. Bullock commented that he would like to have a workshop. Ms. Del Bianco stated that the enforcement contract expires in June 2004. Mr. Rodriguez asked if that contract would have to be renewed through the Invitation to Negotiate (ITN) process or could the board enter into negotiations with them. Mr. Biegalski replied that there was a renewal process first without going through the ITN process.

Mr. Hall asked if there was a cheat sheet that the board could have as a historical reference point prior to voting on privatization. Ms. Del Bianco replied that they were at the meeting to gather information to go back to the board as a whole. Mr. Hall commented that the transfer of the information to the board would be verbalized through Ms. Del Bianco or Mr. Rodriguez and the board would have to take those comments and rely on them to make the decision regarding privatization. Mr. Hall commented that he would prefer that they have something on paper so they can ask questions. Ms. Del Bianco stated that Mr. Hall was looking for information regarding where the board has been and how they have gotten to this point.

Mr. Rodriguez stated that they could combine the architecture and interior design committee meetings together to discuss these items. Mr. Rodriguez commented that the board should begin work on what they have and be cognitive that they are working with quarterly information and projections. Mr. Hall commented that he would like to see an analysis of the engineer's information.

Ms. Wilder asked the board who determines that they have enough funding to continue the board next year. She continued by stating that it appears from the numbers that they do not have the money and that would be appropriate to discuss at the next meeting. Mr. Rodriguez responded that they money would be determined by how much money will be swept. Mr. Oliver commented that the sweep might happen in the next month or two. Ms. Del Bianco commented that basically the board could no longer function because the department gave bad numbers on the enforcement cost. Mr. Biegalski commented that the board would not cease to exist because the department has mechanisms in place.

Mr. Shalley commented that the department would have to look at each board and allocate the sweep. He suggested for the workshop that they discuss areas of department deficiencies and need improvement and then determine if the department or a private firm best addresses those issues. Ms. Del Bianco commented that it would be helpful to have this presentation given by department representation at the next meeting.

Deputy Secretary Acebo commented that if the board felt it would be beneficial to the other board members to have the same presentation to be able to make an informed decision then they would come to the next meeting.

Mr. Biegalski commented that the funding in the enforcement contract provides for it to last through June 30, 2004, which funds were allocated and authorized. He continued that the

initial term of the contract ran until October 31, 2004, which is after the authorized funds. Mr. Biegalski stated that it was the intent of the parties to extend the contract for two years and determine the amount of the contract. Mr. Rodriguez commented that he remember the conversation but did not recall why the terms of the contract ran through October 31st other than the fact that is when the contract was signed. He continued by stating it seemed silly to keep a contract last longer than the funding.

Ms. Del Bianco asked if Mr. Minacci could provide historical data regarding licensed and unlicensed activity on a monthly basis. Mr. Bullock commented that once they get out the catch up mode the numbers will be different. Ms. Del Bianco stated that the board's biggest problem was with unlicensed activity. Mr. Rodriguez commented that he agreed with Mr. Bullock that there was a backlog of licensed and unlicensed activity cases and it will taper but not go away.

Ms. Del Bianco asked Mr. Biegalski if the contract changes substantially then it would not be considered a renewal and the contract would have to go out through the bid process again. Mr. Biegalski replied that he thought they would have go through the process if they did not renew the contract for two years at the same amount. Mr. Rodriguez commented that it was the intent of the board to renew for another two years but they do not have to.

Mr. Rodriguez commented that the board needed to address the difference between the contract expiry and the amount available. He continued that they should discuss with Mr. Minacci changing the contract expiry date to June 30, 2004 because of the spending authority expiry.

The board broke to take a tour of the Customer Contact Center at 3:30 p.m. and did not return.