



Program Fund Accountability Still an Issue for Department of State's Licensing Program

at a glance

Although the Licensing Program will move from the Department of State to the Department of Agriculture and Consumer Services effective January 3, 2003, separate accounting of the revenues and expenditures of the program's licensing and concealed weapon components continues to be an issue. The Legislature should consider

- creating a second trust fund, which would allow revenues and expenditures of the two components to be accounted for separately or
- eliminating the limitations on the use of funds collected by the respective licensing functions.

During the 2003 calendar year, Licensing Program managers plan to significantly improve program services through the processing of fingerprints electronically.

Purpose

In accordance with state law, this progress report describes action taken in response to recommendations made in our 2000

justification review of the Department of State's Licensing Program.¹

Background

State law authorizes the Department of State to license, regulate, and enforce laws relative to select professions and concealed weapons.² The professions component covers individuals and agencies operating private security, private investigative, and recovery (repossession) businesses. The weapons component licenses citizens who wish to carry a concealed weapon for lawful self-defense.

Florida law establishes criteria for granting professional licenses. Individuals seeking a license must clear a criminal background check as well as meet specific training and experience requirements, which vary by the type of license. Regulated industries participate in developing professional standards through the Private Investigation, Recovery, and Security Advisory Council, established in law.³ Council members include law enforcement, licensed business owners, and licensed professionals. As of April 30, 2002, the program reported

¹ *Licensing Program Is Performing Well; Operations and Service Can Be Improved*, OPPAGA [Report No. 00-22](#), December 2000.

² Chapter 493 and s. 790.06, *F.S.*

³ s. 493.6104, *F.S.*

having 117,430 active individual and agency licenses in force.

State law also establishes criteria for granting a concealed weapons license. In addition to clearing a criminal history background check, licensees must demonstrate firearm competence by attending safety or training courses or by providing some other form of documented experience defined in law.⁴ The program monitors law enforcement reports to identify licensees who may have been convicted of acts of violence or issued a domestic violence injunction and thus lost their eligibility to carry a concealed weapon. As of April 30, 2002, the program reported 289,264 active licenses for carrying a concealed weapon.

The Licensing Program is supported entirely through fees and fines. Funds received by both components are deposited into the Division of Licensing Trust Fund. In Fiscal Year 2000-01, the program expended \$11.8 million while generating \$11.5 million in revenue.⁵ For Fiscal Year 2001-02, the Legislature appropriated \$11.9 million and 136 FTEs to operate the program.

Prior Findings

Our prior review determined that although the Licensing Program's performance had been positive, there were several opportunities for improving program operations and service.

Creation of separate trust funds and improvements to the cost allocation system would have improved accountability for program revenues

Our 2000 review found that the professions and weapons components were administered by the Division of Licensing as a combined

⁴ s.790.06(2)(h), *F.S.*

⁵ The program's trust fund has significant reserves. Thus, for the fiscal years in which expenditures may exceed revenues, program trust funds are sufficient to cover the difference.

budget entity. Although state law directs program components to be self-sufficient and funded entirely through fees and fines collected in support of the respective licensing functions, they shared a common trust fund.

Revenues and expenditures of the two components had not been adequately disaggregated and accounted for. In addition, it appeared that the allocation of shared program costs had not been equitable. As a result, revenues collected by the weapons component were used to subsidize budgetary shortfalls incurred by the professions component. Although the program had authority to assess licensing fees for the professions up to a maximum range, management had allowed the fees to remain at less than one-third of the maximum for several years.

To fulfill the statutory directive for self-sufficiency of the two individual components, we recommended two options for consideration by the Legislature.

- Create a second trust fund, which would allow revenues and expenditures of the two components to be accounted for separately.
- Reconsider the legislative intent for this program and eliminate the limitations on the use of funds collected by the respective licensing functions.

Electronic transmission of fingerprint information would improve the background check process

Our 2000 review found that individuals requesting a professional or concealed weapons license had to clear a background check, which sometimes included the submission of the individual's fingerprints to the Federal Bureau of Investigation (FBI).

Although the FBI's Integrated Automated Fingerprint Identification System allowed states to transmit fingerprint information electronically to expedite the background

check process, the Florida Department of Law Enforcement had only the technological capacity to electronically submit fingerprint information associated with an arrest.⁶ This required manual transmission of the program's requests, which took 45 to 60 days. Although the program and the Department of Law Enforcement were planning upgrades to their systems to allow for the processing of fingerprints electronically, it was not believed that implementation was likely before 2003.

To improve program service, we recommended the Licensing Program continue to work with the Florida Department of Law Enforcement to facilitate the electronic transmission of fingerprint information.

Current Status _____

No action has been taken to improve accountability for program funds. However, plans for the electronic processing of fingerprints are on schedule.

Accountability for program funds remains an issue

No action has been taken to change the way program revenues and expenditures are accounted for and managed, thus continuing the subsidy by concealed weapons licenses of the business licensing component of the program. The 2000 OPPAGA report estimated this subsidy at \$3.8 million for the six years between Fiscal Years 1994-95 and 1999-2000. Although the Licensing Program will move from the Department of State to the Department of Agriculture and Consumer Services effective January 3, 2003, accountability for the revenues and expenditures of the two components continues to be an issue.⁷

OPPAGA continues to recommend that the Legislature either create a second trust fund to ensure the separation of the revenues and expenditures of the two components, or eliminate the statutory limitations on the use of funds collected by the respective licensing functions.

Plans for electronic processing of fingerprints should soon be operational

The program reports progress towards the full automation of fingerprint processing. Both the program and the Department of Law Enforcement are testing recent upgrades to their systems for processing of electronic fingerprints. The program reports that approximately 400 sets of fingerprints have been tested using the software and scanning systems with less than 10 sets of fingerprints indicating problems. The program is currently analyzing these problem sets for system improvement.

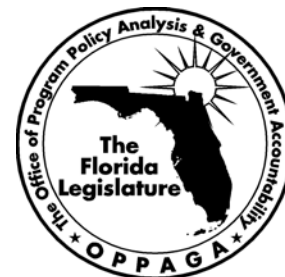
The program reports that it plans to further improve its service by offering remote electronic fingerprint processing at local sheriff offices and/or Department of Highway Safety and Motor Vehicle locations. Program management estimates that full electronic processing of fingerprints will be in place during 2003, which should reduce the total license application time from approximately 45 to 5 days or less.

⁶ To meet federal requirements, the Licensing Program had to forward all fingerprint information to the Florida Department of Law Enforcement for transmission to the FBI.

⁷ The 2002 Legislature passed and the Governor signed HB 1681.

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



Visit the [Florida Monitor](http://www.oppaga.state.fl.us), OPPAGA's online service. See <http://www.oppaga.state.fl.us>. This site monitors the performance and accountability of Florida government by making OPPAGA's four primary products available online.

- [OPPAGA publications and contracted reviews](#), such as policy analyses and performance reviews, assess the efficiency and effectiveness of state policies and programs and recommend improvements for Florida government.
- [Performance-based program budgeting \(PB²\) reports and information](#) offer a variety of tools. Program evaluation and justification reviews assess state programs operating under performance-based program budgeting. Also offered are performance measures information and our assessments of measures.
- [Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance. Check out the ratings of the accountability systems of 13 state programs.
- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

Subscribe to OPPAGA's electronic newsletter, [Florida Monitor Weekly](#), a free source for brief e-mail announcements of research reports, conferences, and other resources of interest for Florida's policy research and program evaluation community.

OPPAGA provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision making, to ensure government accountability, and to recommend the best use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

Florida Monitor: <http://www.oppaga.state.fl.us/>

Project supervised by Debbie Gilreath (850/487-9278)

Project conducted by Don Wolf (850/487-9237)

John W. Turcotte, OPPAGA Director