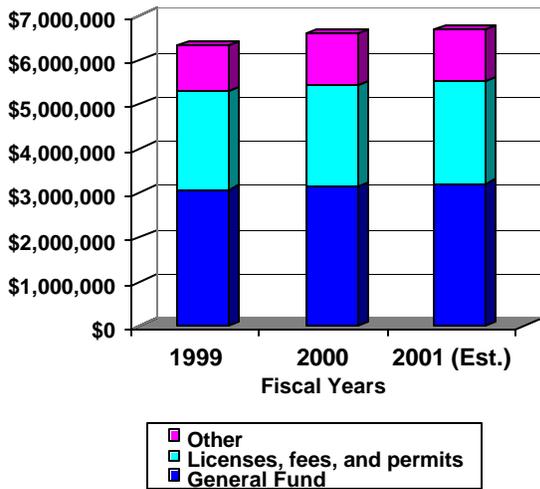


# Department of Real Estate

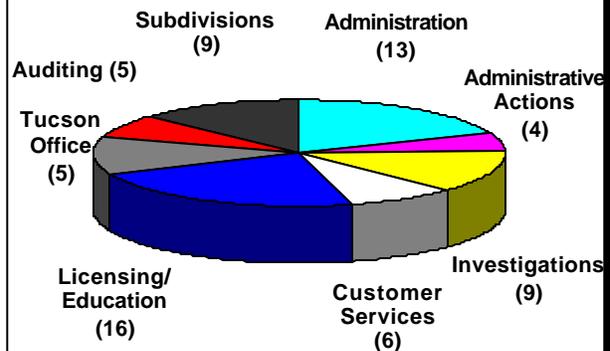
**Services:** The Department operates as one program offering the following services through five subprograms: **1) Central Administrative Services**—Provides budget, customer, computer information, and other services; **2) Education and Licensing**—Licenses real estate, cemetery, and membership camping salespersons and brokers, as well as entities, such as corporations and limited liability companies; and approves schools providing real estate licensure education, as well as courses and instructors; **3) Regulation**—Conducts investigations in response to public complaints or on its own initiative, prosecutes licensees to resolve violations of real estate laws, and audits brokers' business records to ensure that brokers properly handle client monies; **4) Land Development**—Examines and issues subdivision, time-share, unsubdivided land, and membership camping public reports and cemetery certificates of authority; **5) Recovery Assistance**—Determines the validity of claims against the Real Estate Recovery Fund to compensate people who have suffered financial losses due to the illegal acts of licensees.

**General Fund Revenues<sup>1</sup>: \$3.2 million**  
(Estimated for fiscal year 2001)



<sup>1</sup> The Department must deposit most revenues collected through licenses, fees, and permits and other sources into the State General Fund.

**Personnel: 67 full-time staff**  
(fiscal year 2001)



**Facilities:**

Department employees are located at 2 state-owned facilities. The Department houses 59 of its 67 employees at 2910 North 44<sup>th</sup> Street in Phoenix. An additional 8 employees are housed at 400 West Congress in Tucson, including 3 employees from Auditing.

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## Program Goals (fiscal year 2000-2001)

### Subprogram: Education and Licensing

1. To review and approve new courses quickly and efficiently.
2. To improve the quality of class offerings and instructors by monitoring and auditing more classes.
3. To create and maintain procedures to process and print a license in an efficient and timely manner.
4. To provide better customer service to licensees.

### Subprogram Regulation

1. To audit and document brokers' compliance with timely maintenance of legally required records.
2. To reduce the hearing caseload through viable alternatives to the hearing process.
3. To coordinate and facilitate the Department's administrative hearings.
4. To monitor and enforce compliance with ordered or stipulated terms or provisions.
5. To maintain a firm but fair enforcement policy.
6. To maintain the timeliness of the investigative process.

### Subprogram: Land Development

1. To issue timely public reports.

### Subprogram: Recovery Assistance

1. To efficiently serve the public interest by administering the Real Estate Recovery Fund.

## Adequacy of Goals and Performance Measures:

The Department could make some improvements to the goals for its five subprograms and their associated performance measures. For example:

- Some of the Department's goals do not accurately capture the Department's responsibilities or mission. For example, while the Regulation subprogram has a goal of maintaining the timeliness of the investigative process, this goal does not address the quality or thoroughness of the Department's complaint investigations. Similarly, the Land Development subprogram has one goal, focusing on its timeliness in issuing public reports, but this goal does not address the appropriateness and accuracy of these reports.
- The Department does not have sufficient measures to report on the activities and the outcomes of its subprograms. Most of the Department's performance measures are focused on inputs or timeliness. However, the Department lacks needed output, outcome, and efficiency measures that would provide a more complete picture of Department activities to oversight bodies and other interested persons. For example, the Department's Regulation subprogram has no outcome measures that report problems identified in broker audits or the results of its complaint investigations; or efficiency measures that report the efficiency with which broker audits and complaint investigations are conducted. Additionally, within the Education and Licensing subprogram, the Department lacks outcome measures on the number of real estate courses approved or rejected, the results of its class monitoring efforts, and the percentage of licensees approved, denied, or the subject of disciplinary action.