

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

- Appointments ... Appt
-
- Clearinghouse Rules ... CRule
-
- Committee Hearings ... CH
-
- Committee Reports ... CR
-
- Executive Sessions ... ES
-
- Hearing Records ... HR
-
- Miscellaneous ... Misc
- 97hr_JC-Fi_Misc_pt02h_DPR
-
- Record of Comm. Proceedings ... RCP
-

Joint Finance

16.505/16.515

14 Day Passive
Reviews

10/17/96 to

12/17/96

BOALTC/ DR+L
10/31/96

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

Room 302H
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Phone: (608)266-8535



ASSEMBLY CHAIR
BEN BRANCEL

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JOINT COMMITTEE ON FINANCE

October 31, 1996

Secretary James R. Klauser
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53707

Dear Secretary Klauser:

On October 11, 1996, ss. 16.505(2)/16.515 requests for the Board on Aging and Long-Term Care and the Department of Regulation and Licensing were submitted in a memorandum from you to us for approval by the Joint Committee on Finance.

The request for increased expenditure authority of \$40,700 PR in 1996-97 and the authorization of 1.0 FTE position for the Board on Aging and Long-Term Care is approved.

With respect to the request for the Department of Regulation and Licensing, the Committee will approve the following: (1) increased expenditure authority of \$69,500 PR in 1996-97 with the understanding that none of this funding shall be base-building, and (2) the authorization of 1.0 legal assistant position effective November 1, 1996, as a twelve-month project position. Since the agency has appropriately requested resources related to this request for 1997-99 as a part of its biennial budget submittal, we believe that the biennial budget process is the proper forum for addressing the agency's continued staffing and funding requirements. Included in the approved funding of \$69,500 PR are monies for the employment for six months of an LTE clerical assistant. However, the employment of LTEs does not require the granting of FTE position authority and, therefore, no position authority for the LTE staff is provided.

Unless you notify us by November 8, 1996, that you wish us to schedule a meeting of the Committee to consider the request for the Department of Regulation and Licensing, we will consider the request for R&L approved as specified above.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of Ben Brancel in black ink.

BEN BRANCEL
Assembly Chair

cc: Members, Joint Committee on Finance
Secretary Marlene Cummings, R&L
Linda Nelson, Department of Administration

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

TO: Members
Joint Committee on Finance

FROM: Representative Ben Brancel
Senator Brian Burke
Co-Chairs, Joint Committee on Finance

DATE: October 14, 1996

RE: 16.515/16.505(2) Requests

Attached are copies of requests from the Bureau of Aging and Long Term Care and the Department of Regulation and Licensing regarding contracts with state agencies and general program operations, respectively. Under s. 16.515/16.505(2), the Joint Committee on Finance has fourteen days to review these requests. Please contact **Representative Brancel or Senator Burke** no later than **Thursday, October 31, 1996** if you have any questions about these requests or would like the committee to meet formally to discuss either of them. If no objections are heard within fourteen days, the requests will be approved.

Also, please contact us if you need further information.

BB:BB:al

OCT 11 1996

CORRESPONDENCE MEMORANDUM

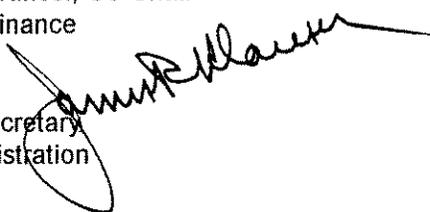
**STATE OF WISCONSIN
Department of Administration**

Date: October 11, 1996

To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

The Honorable Ben Brancel, Co-Chair
Joint Committee on Finance

From: James R. Klauser, Secretary
Department of Administration



Subject: S. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1995-96 AMOUNT</u>	<u>FTE</u>	<u>1996-97 AMOUNT</u>	<u>FTE</u>
BOALTC 20.432(1)(k)	Contracts With State Agencies			\$40,700	1.00
DR&L 20.165(1)(g)	General Program Operations			\$69,500*	1.50**

* Of this amount, \$34,800 in base budget authority related to the 1.00 FTE permanent legal assistant position.

** 1.00 FTE permanent position and one half-time LTE position.

As provided in s. 16.515, this request will be approved on November 1, 1996, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Linda Nelson at 266-3330, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: September 23, 1996

To: James R. Klauser, Secretary
Department of Administration

From: Gretchen A. Fossum, Budget Analyst
Division of Executive Budget and Finance *SAF*

Subject: s.16.505/16.515 Request by the Board on Aging and Long-Term Care

REQUEST

The Board on Aging and Long-Term Care (BOALTC) requests an increase of \$54,200 PRS in expenditure authority in s.20.432(1)(k), contracts with state agencies, and the conversion of a 1.00 FTE project position to permanent.

ANALYSIS

BOALTC provides Medicare eligible individuals information on a variety of insurance products through the Medigap hotline. This function of the Board is funded through the Office of the Commissioner of Insurance. Since January 1993, the Board has received funding from a federal Health Care Financing Administration (HCFA) insurance information grant through the Department of Health and Family Services to reduce backlogs in the Medigap hotline program. The HCFA grant has funded a project position with a four year end date of December 31, 1996 and an additional toll-free line. The Board will be receiving an additional \$54,200 from the HCFA grant for the period October 1, 1996 through September 30, 1997.

BOALTC is requesting an increase in expenditure authority of \$54,200 and the conversion of the project position to permanent. When the project position was authorized in January 1993, 2.00 FTE were responding to 400 and 500 requests for insurance counseling a month and the program had a backlog of four weeks. Over the last three years, BOALTC has been averaging 600 requests per month with a response time of five days. The following table details the Board's expenditure request:

	Total
Salary	\$31,300
Fringe	9,900
Supplies	13,100
Total	\$54,200

RECOMMENDATION

Approve the conversion of the 1.00 FTE project position to permanent. Since the request is for an annual amount, modify the funding request to approve increased expenditure authority of \$40,700 to reflect 75% of the request amount which will fund the costs for FY97. The ongoing funding level will be included in the Governor's executive biennial budget.

26 August 96

AUG 28 1996

To: Richard Chandler, Budget Director
Department of Administration

Fr: George F. Potaracke, ^{MG}Exec. Director

Re: s. 16.505/16.515 Request

The Board on Aging and Long Term Care requests an increase of \$54,200 PRS in expenditure authority in s. 20.432(1)(K), contracts with state agencies, and position authority for one FTE permanent position.

For the past four years the Board has been receiving funds through DHFS from a grant awarded by the federal Health Care Financing Administration (HCFA) to support the operations of the Medigap Helpline. DHFS has submitted a non competing continuation grant application to HCFA for a fifth year of funding under the "Health Information, Counseling and Assistance" grant program. \$54,200 will be made available to the Board to support this request.

MEDIGAP HELPLINE

The Board request authority to convert an existing project position for the Medigap Helpline to a permanent position. Existing authority for the project position extends to September 30, 1996. The four year maximum for a project position would be reached by December 31, 1996 if it were extended. The Board requests conversion to a permanent position at this time.

BUDGET DETAIL (October 96 - September 97)

Salary	31,300	
Fringe	9,900	
Supplies		
Toll-free line	4,500	
Telephone	3,400	
Office rent	2,900	
Postage	1,400	
Training	300	
Gen. Supplies	500	
	13,000	
TOTAL		54,200

S. 16.505/16.515 Request
26 August 96
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POSITION JUSTIFICATION

This position was originally authorized to assist the two existing program staff to deal with a chronic backlog of customers seeking insurance counseling. In addition the Board installed a second incoming toll-free telephone line in response to callers who expressed frustration with reaching a 'busy signal'. Both of these efforts have proven highly successful.

Until the third counselor was added through this grant the Helpline often experienced backlogs of customers waiting as much as four weeks to receive counseling. At times the program would shut off intake completely because the delay in service to the callers grossly undercut any value the program could offer someone needing to make a time-sensitive decision. Over the past two years the backlog has been kept to five business days. Those customers who identify an urgency (loss of coverage, renewal date about to expire, death of spouse who was primary policyholder, etc.) will receive counseling within 24 hours.

The demand for the service continues to grow as evidenced by the data which follows. At times there is a significant surge in the number of customers due to conditions outside the control of the program. These include aggressive marketing by insurance companies which requires distribution of the Medigap Helpline to the audiences, media alerts by the government of changes in Medicare which always include our toll-free number for customer advice, and consumer advisories from regulators and advocates which direct the consumer to the toll-free number for specific advice.

Beginning in January, 1996 HCFA began mailing new Medicare handbooks to all 38 million beneficiaries. The Medigap Helpline is listed as a primary information resource within Wisconsin. The workload of the Medigap Helpline multiplied several fold during the initial mailing. In the past month Pabst Brewery of Milwaukee discontinued its insurance benefits for its retirees. They were advised to contact the Medigap Helpline to identify alternate insurance plans, advantages and disadvantages of each plan, and of their rights under state law.

These events stretch the program's ability to serve its regular 'caseload'. To offset the increases in work the program continues to enhance its use of technology wherever possible. Currently the program utilizes software provided by the Commissioner of Insurance and modified internally to expedite analysis of insurance policy coverages and then tailoring recommendations to each customer based upon the needs identified by that person. Letters detailing the recommendations are produced and mailed or faxed to the customer within 24 hours (It is surprising the number of households with faxes). This has controlled the number of call backs from the customers who may have misunderstood parts of the counseling session.

The program continues to respond to requests for training in the community as part of its statutory requirements. This activity has remained fairly constant over the past ten years. The hours of the third counselor are devoted nearly entirely to direct one -to - one counseling. The Medigap Helpline maintains a strong collaborative relationship with the benefit specialist program based in each county office on aging. That relationship is highlighted in the HCFA grant and maximizes the resources of each program.

PROGRAM STATISTICS

The following program statistics outline the Medigap Helpline activities for the period prior to its expansion (April, 1993) and for three one-year periods since the HCFA funds became available to staff the program with three counselors and the addition of a second toll-free line.

	4/92-3/93	4/93-3/94	4/94-3/95	4/95-3/96
Average number of persons counseled per month	425	605	609	613
Average number of persons requesting printed materials only per month	750	910	1035	1126
Average number of callers referred to OCI, Benefit Specialists, etc. per month	?	28	37	42

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SUMMARY

The Board believes it has a very efficient program to serve the insurance counseling needs of older consumers. While it cannot meet all of the demand, particularly for training and community education, the current staffing pattern is appropriate to the demonstrated need. We do not anticipate any noticeable decline in the public's need for this service. It is necessary to convert this project position to permanent within the availability of federal funds. It should be noted that this service has enjoyed strong support both in Congress at the federal level demonstrated by the ongoing funding made available to the Medigap Helpline and very strong support from the Legislature, evidenced by its actions during the last budget debate.

Please contact me at 6-8945 if you require further information. Your expeditious review and approval of this request will be greatly appreciated.

Thank you.

Date: September 26, 1996

To: James R. Klauser, Secretary
Department of Administration

From: Scott Aker, Executive Budget & Policy Analyst
Division of State Executive Budget and Finance



Subject: Request under s. 16.505/515 from the Department of Regulation and Licensing for resources to implement the requirements of the new laws regulating interior designers and security guards and the amendments to laws regulating private detectives and private detective agencies. The agency also requests additional supplies and services authority necessary to regulate several new professions added during the 1993 legislative session.

REQUEST

The Department of Regulation and Licensing (the department) requests increased PRO expenditure authority of \$299,700 in FY97 under s. 20.165(1)(g), *General Program Operations*, including 2.0 FTE permanent program assistant positions, 1.0 FTE permanent legal assistant position, 1.0 FTE project management information specialist position and one half-time LTE clerical assistant position. Funding for the request is as follows:

	FY97 General Operations
Salaries	59,300
LTEs	8,800
Fringe Benefits	21,300
Supplies and Services	153,600
Permanent Property	56,700
Total	\$299,700

The department's request includes an ongoing increase of \$256,300 to its base budget authority in order to fund the continuing costs of this request. The components for the base budget increase are:

	FY97 Req.	Annualized On-Going
Salaries:	68,100	95,300
Fringe:	21,300	33,200
Supplies & Services:	153,600	127,800
TOTAL	243,000	256,300

REVENUE SOURCES FOR APPROPRIATION

The revenue sources for the appropriation under s. 20.165(1)(g), *General Program Operations*, are initial credential and credential renewal fees paid to the department by prospective credential holders and credential holders seeking renewal.

BACKGROUND

Acts of the Legislature which direct the department to regulate a new profession often do not contain expenditure authority for the associated costs. This occurs with the understanding that the department will use the s.16.515 process to request expenditure authority after it has a clearer sense of the costs of regulating the new profession. This is the case with the professions discussed in this analysis.

Interior Designers

1995 Wisconsin Act 322 requires the department to register interior designers, effective December 1996. Interior designers who meet education and experience requirements will have the examination component of their registration waived until April 1997. The department estimates 1,500 total registrations will be issued under this law. Act 322 provided no resources to implement its requirements.

Security Guards/ Private Detectives & Private Detective Agencies

1995 Wisconsin Act 461 requires the department to regulate security guards and amends statutes regulating private detectives and private detective agencies. All security guards currently receiving permits through local law enforcement agencies will be regulated by the department effective July 1, 1997. As has been the case with other professions added to the department's regulatory responsibilities, the department will incur costs prior to the effective date provided in the legislation. The department anticipates a significant workload increase with the addition of between 9,000 and 10,000 security guards currently working in Wisconsin. Act 461 provided no resources to implement its requirements.

Professional Regulation - Additional Supplies & Services Funding

Legislation enacted during the 1993-94 legislative session established statutory regulation and licensing requirements of the following new professions: auctioneers and auction companies, geologists, landscape architects, dietitians and advanced practice nurse prescribers. The workload generated by these new professions has been substantially higher than anticipated. Although the department's fiscal notes indicated that additional resources would be needed, most of the separate legislative acts establishing the regulation of these new professions did not provide additional resources to the department to manage the additional workload.

ANALYSIS

Interior Designers Regulation - FY97: \$2,500

During legislative consideration of 1995 Assembly Bill 419, which became 1995 Wisconsin Act 322, the National Council for Interior Design Qualification (NCIDQ) reported in February 1996 that 191 NCIDQ certified interior designers were practicing in Wisconsin. In addition to this information, the department considered two other factors to arrive at its estimate of 1,500 applicants for interior design registration. First, Minnesota, which has a population similar to Wisconsin's, began regulating its 700 interior designers in 1992. Second, AB 419 allows licensed architects to be registered as interior designers.

Approximately 4,300 licensed architects are eligible to receive interior designer registration. The department assumes approximately 15 percent (645) of licensed architects will apply for interior design registration.

Under Act 322, regulation of interior designers is effective December 1996. Act 322 provides a waiver from examination for qualified interior designers until April 30, 1997. The department has begun receiving requests for information regarding the regulatory process and has begun sending application materials, copies of the new law, registration certificates, verifications of registrations and committee meeting packets to interested parties. It is clear Act 322 creates workload and costs to the agency beyond that which the current biennial budget provided in spending authority.

Due to the increased workload resulting from Act 322, it is reasonable to provide the department's request of \$2,500 PRO to cover any necessary costs through the remainder of FY97. However, there is enough uncertainty regarding the number of applications the department may receive in FY97 to warrant granting this request as a one time cost. Any further requests for funding these responsibilities should be in the context of the department's 1997-99 biennial budget request, when a clearer understanding of the workload demand can be provided.

Security Guards/Private Detectives & Agencies - FY97: \$172,900

File Space/Printing & Postage/General Needs

Although 1995 Wisconsin Act 461 does not become effective until July 1, 1997, the department will experience a significant workload increase in the preceding months. Notwithstanding any information requests to which the department will need to respond, the physical movement of files from local law enforcement agencies (which currently maintain security guard permit files) to the department will occur prior to the law's effective date. The department is requesting a one-time increase of \$2,300 PRO for files and four filing cabinets to maintain these records. This item should be approved as a one-time cost.

The department's request includes \$1,200 for printing informational brochures and application forms and \$10,000 for postage related to initial packets which will be sent to security guards prior to the July 1, 1997 effective date. Although the request is for these funds to be considered on-going, after discussions with the Budget Office the department agrees the appropriate context for consideration of this item as continuing is the department's 1997-99 budget request. It is clear the department will need these funds to mail the necessary information to security guards prior to July 1, 1997, but these funds should be approved as a one-time cost.

The department's request also includes \$300 travel expenses for the security guard screening panel to attend a one-day training session. Similar to its request for printing/postage, the department originally requested this as an on-going item but will address the continuing nature of this item in their budget request. Nevertheless, the screening panel members will travel to Madison to attend the training session, and the department will need \$300 for per diem and travel reimbursement. This item should be approved as a one-time cost.

Position Requests

To handle the workload associated with coordinating the transfer of 10,000 security guard permits and the information requests prior to July 1, 1997, the department requests 1.0 permanent FTE program assistant position to coordinate file maintenance, issuing private security guard permits and identification cards, inquiries and verifications of licensure and permit status. The program assistant will be needed for the final six months of FY97 (\$15,000 PRO for salary & fringe). The department also requests authority to

hire a half-time LTE clerical assistant for the same six month period to assist with the workload associated with security guard and interior designer regulation.

Security guard regulation is a matter of public safety, and it is critical that the department be provided the resources necessary to make the transition of records as efficient and effective as possible. It is clear that this process should be coordinated by someone who can devote the majority of each day to these tasks, not someone who already carries several other responsibilities within the department. However, it does not appear the workload between now and July 1, 1997 necessitates two positions. Providing a half-time LTE should be sufficient to handle the immediate workload. The need for a program assistant should be addressed in the department's 1997-99 budget request.

Interactive Voice Response System

To speed the process of regulating security guards (and eventually all professions regulated by the department), the department requests \$48,500 PRO to design and install an interactive voice response system (IVR). The system would automate the basic information transfer process by prompting callers for routine information, e.g. name, address, occupation, license number, and downloading this information directly to the department's databases, thus eliminating the need for the information to be entered manually. This would revolutionize the application process and would, in time, reduce the need for the number of FTE positions currently allocated for the responsibility of file maintenance. A project management information specialist position (\$22,400 PRO for salary and fringe from January 1997 through July 1997) would be needed to install and manage this system.

The IVR system would provide efficiencies necessary for the department to meet its increasing workload, but the need is not of such an immediate nature that it should be addressed within the context of the s. 16.505/16.515 process. It is not clear the department needs this system to be operational before the beginning of FY98. The development of an IVR system should be evaluated in the context of the department's information technology (IT) initiatives in the 1997-99 budget request.

Criminal Records Checks

1995 Wisconsin Act 461 requires the department to perform criminal background checks on all security guards and private detectives and allows the department to charge a fee to cover costs associated with the background checks. In addition to checking new applicants, which the department estimates to be 300 per month (the department will begin issuing temporary permits prior to July 1, 1997), background checks will be performed on all security guards and private detectives during the renewal process in September of each even-numbered year.

This process will require installation of a computer and printer and the appropriate connections with the Department of Justice (DOJ) Crime Information Bureau (CIB). Installation and hardware costs will be approximately \$8,200 PRO. In addition, the department will be required to pay DOJ \$400 per month for access to the CIB system. If the system is operational by December, 1996, the department will need \$2,800 PRO for access fees during FY97. The department will address the ongoing nature of this fee in their biennial budget request.

Given the statutory requirements of Act 461, it is appropriate to approve a one-time increase of \$11,400 for computer hardware, installation and access fees.

Office of Board Legal Services

Many of the laws enacted during the 1995 legislative session have resulted in a substantial workload increase for the Office of Board Legal Services. The attorneys in this office spend a significant portion

of their day handling routine questions regarding the following acts: Act 295 - Preneed Insurance Funded Burial Agreements; Act 461 - Private Detective and Security Guard Regulation; and Act 322 - Regulation of Interior Designers. The number of inquiries to this office from applicants and local law enforcement agencies regarding security guard regulation has been especially high.

The volume of inquiries in recent months has diverted the attorneys from their primary role - serving as legal counsel to the regulatory boards and as administrative law judges where conflict resolution is necessary. The office currently employs 6.5 FTE attorneys and has no legal assistants. The last addition to the office was a .5 FTE attorney in 1990. The department requests the authority to add a permanent 1.0 FTE legal assistant position (\$22,500 PRO in salary and fringe plus \$10,200 in space, computer, and general supplies for the remainder of FY97) to this office to coordinate these routine responsibilities. Since this would be a permanent addition, the department requests an increase of \$34,800 PRO (\$30,500 salary and fringe plus \$4,300 in space and general supplies) in its base budget authority to fund this position in succeeding years.

While the approval of permanent positions is avoided in most cases outside the biennial budget process, in this case the increased position authority is necessary at this time. As the existence of new laws becomes more known across the state, new issues and problems develop. Office attorneys currently spend numerous hours responding to routine legal questions regarding eligibility and citizen complaints. With security guard regulation, the department expects an unusually high level of activity preceding the July 1, 1997 effective date of Act 461. The department is assuming regulatory responsibility currently held by local agencies as opposed to establishing a regulatory system for a profession not previously regulated in the State. As July 1, 1997 nears, local agencies are likely to pass questions from prospective registration holders along to the department. A legal assistant will make the process of responding to inquiries more efficient by handling those which do not require an attorney.

The department anticipates that the initial applicant pool for security guard registration will contain ineligible candidates. Any candidate denied certification, registration or licensure enjoys the right to a hearing before a staff attorney serving as an administrative law judge. Such hearings consume a significant portion of an attorney's time and take precedence over more routine matters. A legal assistant would provide the office attorneys the flexibility to respond to more sensitive issues without compromising the department's level of customer service in other areas.

In addition to the increased workload cited above, the office of board legal services has experienced an increase in work related to collections of cost assessments and forfeitures from credential holders who have been disciplined. Coordinating this task with DOJ currently consumes several hours of one of the office's attorney's time - time more appropriately spent handling the department's legal matters. Given the time limits the office's attorneys must work under regarding legal notice and other administrative rules, it is clear that the addition of a legal assistant will enhance the efficiency of the Office of Board Legal Services.

Professional Regulation – Supplies & Services Funding FY97: \$91,800

The separate 1993 legislative acts that established the regulation of the auctioneer, geologist, landscape architect, advanced nurse practitioner and social worker professions did not provide resources to administer the new requirements. Consequently, the department has had to rely on the s. 16.505/515 process to obtain the additional resources needed to meet cost and workload increases. In October 1993 and June 1994 such requests were approved by the Committee; however, because of the unknown

number of new credential holders and the corresponding workload, many of these resources were provided on a one-time basis, and were not added to the department's base budget.

The department's March 1996 request for \$81,200 in additional FY96 supplies and services authority was approved by the Joint Committee on Finance. The \$77,000 request for FY97 was denied on the basis that it was premature. While it may become necessary for the department to request additional funds to meet its obligations for FY97, it is too early into the fiscal year to make that determination. The department should continue to monitor expenditures and projections of need in this category and resubmit this portion of their request, if necessary, later in the fiscal year when it can more clearly be established that, without increased expenditure authority in its supplies and services line, the department's obligations to its customers cannot be met.

Revenue Forecast

The table below illustrates that there is sufficient revenue available to fund this request and maintain a sufficient balance.

	SFY97
Carryover	2,263,760
Projected Revenue	6,631,500
Projected Expenditures	(7,337,900)
4/96 16.505/515 granted Tax Delinquency	(112,200)
Requested Increase	(299,700)
Remaining Balance	\$1,145,460

RECOMMENDATION

Approve \$69,500 PRO in the appropriation under s.20.165(1)(g), *General Program Operations*, for FY97 for the portions of the interior designer and security guard regulation sections as indicated below:

- 1) 2,500 PRO for interior design regulation;
- 2) 13,800 PRO for filing space, postage, printing and travel regarding security guard regulation;
- 3) 9,500 PRO for a half-time LTE clerical assistant for security guard regulation;
- 4) 8,200 PRO for installation and hardware costs to connect R&L to the DOJ crime information bureau;
- 5) 2,800 PRO for 7 months of access fees to the CIB;
- 6) 32,700 PRO salary, fringe, space and supplies costs for a 1.0 FTE permanent legal assistant position in the Office of Board Legal Services.

Approve \$34,800 as annualized base budget authority per s.16.517 in the appropriation under s.20.165(1)(g), *General Program Operations*, for the 1.0 FTE permanent legal assistant position (30,500 salary and fringe, 4,300 for space, supplies, printing and postage costs).

Rjm



State of Wisconsin \ DEPARTMENT OF REGULATION & LICENSING

Tommy G. Thompson
Governor

Marlene A. Cummings
Secretary

1400 E. WASHINGTON AVENUE
P.O. BOX 8935-8935
MADISON, WISCONSIN 53708
608 266-2112

August 14, 1996

TO: Secretary James Klauser
Department of Administration

CC CA
SA

FROM: Secretary Marlene A. Cummings *Marlene A. Cummings*
Department of Regulation and Licensing

RE: 16.505/16.515 Request

This is a request under ss. 16.505/16.515, Stats., for position authority and a supplement to the Department of Regulation and Licensing's (DRL) ss. 20.165 (1) (g) appropriation. The need for the supplement is the result of the implementation of the law which regulates interior designers and the law which regulates security guards and amends the law regulating private detectives and private detective agencies. The Department is also requesting additional funds to pay for increases in supplies and services which are the result of regulating and implementing initiatives related to the creation of several new professions during the past biennium.

The requested supplement is as follows for s.20.165 (1) (g) General Program Operations:

Cost summary	Total	Salaries	LTE	Fringes	Supplies	Perm prop
Total ongoing costs	217,233	59,320	8,821	21,330	127,762	
Total one-time costs	82,509				25,826	56,683
Total Supplement Requested	299,742	59,320	8,821	21,330	153,588	56,683
Total Positions Requested	4.00	4.00				

The department also requests that the following portion of this request be added to the department's base budget authority for the 1997-99 biennium (see Appendix B for salary and fringe benefit detail):

Base Budget Authority	Total	Salaries	LTE	Fringes	Supplies	Perm prop
Continuing Costs, full funding, FY98 on	256,283	95,328		33,193	127,762	

Regulatory Boards

Accounting; Architects, Landscape Architects, Professional Geologists, Professional Engineers, Designers and Land Surveyors; Auctioneer; Barbering and Cosmetology; Chiropractic; Dentistry; Dietitians; Funeral Directors; Hearing and Speech; Medical; Nursing; Nursing Home Administrator; Optometry; Pharmacy; Physical Therapists; Psychology; Real Estate; Real Estate Appraisers; Social Workers, Marriage and Family Therapists and Professional Counselors; and Veterinary.

Regulation of Interior Designers

1995 Wisconsin Act 322 requires the Department of Regulation and Licensing to register interior designers, effective December 1996. The waiver provisions are already effective and interior designers who meet the education and experience requirements can be registered without taking the examination until April 30, 1997.

The department is requesting funding for postage, printing and supplies to cover the regulation associated with this profession during this fiscal year. The department believes that postage will cost approximately \$1,500 during this first year when applications materials, copies of the new law, registration certificates, verification of registration, committee meeting packets will need to be mailed. The department believes that the cost of printing will be approximately \$1,000 to cover costs associated with printing application forms, informational materials, advisory committee meeting packets and drafts of proposed administrative rules.

Regulation of Security Guards, Private Detectives and Private Detective Agencies

1995 Wisconsin Act 461 requires the regulation of security guards and amends the statutes regulating private detective and private detective agencies. Although the law does not become effective until July 1, 1997, the department estimates that by December 1996, applicants and private detective agencies will begin requesting informational materials about this new regulation. All security guards currently receiving permits from law enforcement agencies will be regulated by the department on July 1, 1997.

The eleven largest law enforcement agencies in the state have been surveyed and based on the information received, the department is estimating that there are between 9,000-10,000 security guards currently working in Wisconsin. The permits for these guards will become the responsibility of the department on July 1, 1997.

In order to facilitate the transfer, the department believes that one FTE Program Assistant 3 needs to be hired to assist in licensing, file maintenance, issuing private security permits and identification cards, maintaining paper records, handling inquiries and verifications of licensure and permit status. In addition, the department believes it will need to hire a limited term employee (LTE), a Clerical Assistant 2, for six months to assist with sending out informational materials and application packets and creating files and records related to the security guards whose permits will be transferred to the department on July 1, 1997. This LTE would also assist with the registration process for interior designers. (Please see Appendix A for associated costs.)

Interactive Voice Response System

The department is requesting funding to operate an interactive voice response system in order to facilitate the regulation of security guards. An interactive voice response system automates incoming calls for transaction processing, information retrieval and information dissemination. The department believes interactive voice could be used in the following ways to assist in the regulation of security guards:

- In the case of a security guard with a permit from a law enforcement agency, the system could ask the applicant for basic information about himself or herself and for the name and license number of their employers which could be entered directly into the computer and could result in issuing a credential to them.
- For new security guards, the system could ask basic questions of applicants, including whether or not they had been convicted of a crime and the name of the employer which could be directly entered in to the computer. Once a criminal record background check has been completed and if the applicant is eligible, a temporary permit could be printed while follow-up takes place with the employer and the FBI check.
- The system could also be used to keep track of employment of security guards by asking employers to give the name, address, and permit number of any security guard who terminates employment or becomes employed by the employer after the employer provides the system with his or her name and license number.
- The system could also be used to track employment of private detectives and real estate agents, using the method described above. In the case of private detectives, the system would need to check on whether the new employer's liability insurance covers the employee and if not, informing the private detective that separate coverage must be obtained.

The costs associated with implementing this system include \$48,483 for the hardware and custom design of the system and would require the department to hire one Management Information Specialist 3 project position to manage the system. (Please see Appendix A for the breakdown of costs.)

Criminal Record Checks

Act 461 requires the department to perform background checks on all security guards and private detectives and it allows the department to charge a fee to cover costs associated with the background checks. During this fiscal year, the department will need funding to establish access to the Department of Justice CIB record system. Start-up costs associated with this process include \$1,200 for installation and \$7,000 for the computer and printer. In addition, the department will need to pay the Department of Justice \$400 per month for access to the system.

The department is also requesting authority to hire one FTE Program Assistant 3 to provide centralized services for background checks. The department does not currently have access to the CIB system and Department of Justice staff perform these duties.

The department currently requests CIB checks on all private detectives and those real estate agents and real estate appraisers who identify that they have been convicted of a misdemeanor or a felony. It also conducts background checks on specific credential holders named in complaints filed with the Division of Enforcement when it is essential to the nature of the complaint to check the criminal background of a credential holder. In addition to checking the new applicants which the department estimates to be at least 300 per month, the department will also perform background checks on every security guard and private detective applying for renewal in September of each even-numbered year. The department believes that this function should be centralized in order to provide the most efficient delivery of services.

The department believes that this system should be set up well in advance of the act's effective date because the department is estimating that at least 300 temporary permits will need to be issued by July 1, 1997 (Milwaukee alone estimates that it currently issues 222 permits per month).

The actual costs associated with the CIB check and the FBI check for each applicant are \$29. Staff costs and costs for equipment would add an additional \$5 to the costs and result in a fee being charged to applicants of \$34.

Other Costs Associated with Security Guard Regulation

The department is also requesting \$1200 for printing of informational brochures and applications forms and \$10,000 for postage to send out applications and certificates before July 1, 1997 (postage is estimated to be \$1 per applicant).

The department is requesting \$688 for files and \$1628 for four file cabinets (\$407 per cabinet) to house the records of the 9,000 - 10,000 security guards who will be transferred to the department as of July 1, 1997.

The department is requesting \$300 for traveling expenses incurred by the security guard screening panel members who will need to attend a one-day training session at the agency before the regulation of security guards becomes effective.

Office of Board Legal Services

The department is requesting authority to hire a legal assistant to work with the attorneys in the Office of Board Legal Services and respond to practice questions related to the new laws passed during the 1995 legislative session as well as to assist in the required rulemaking. The laws include the following:

- Act 295 - Preneed Insurance Funded Burial Agreements
- Act 461 - Private Detective and Security Guard Regulation
- Act 322 - Regulation of Interior Designers

A legal assistant can provide needed help in the promulgation of the rules as well as respond to the numerous questions that will be received from the public, applicants, local units of government and credential holders and also help educate bureau staff on how to respond to inquiries about these new laws. Many questions from local units of government will need to be answered about security guard regulation. The legal assistant can also research and respond to inquiries about whether an applicant with a criminal record is eligible to obtain or keep a credential.

Another responsibility of the Office of Board Legal Services includes work related to collections of costs assessments and forfeitures from credential holders who have been disciplined. This responsibility currently takes several hours each week to process by one of the office's attorneys.

Secretary James Klausner
August 14, 1996
Page 5

A legal assistant could perform many of these duties and allow the attorney to complete other legal work necessary as a result of enactment of these laws.

Supplies and Services Funding

During the 1993 legislative session, several laws have had a fiscal impact on the department's 95-97 budget since they were enacted after the passage of the biennial budget. These laws include the new regulation of geologists, auctioneers and auction companies, landscape architects, dietitians and advanced practice nurse prescribers. The number of credential holders has been much higher than originally estimated, and so, the department is requesting funding to pay for services to this larger than expected number of credential holders as well as to pay for postage, mail services, printing, copying and lodging cost increases which have taken place during this biennium. These costs are summarized in Appendix A.

Mail service costs have increased due to new US Postal standards which are now in place. For example, the cost of the biannual newsletters sent out to out-of-state credential holders has increased because they must be tabbed in order to comply with the postal standards. The department is requesting additional funding in the amount of \$7,988 to pay for the required tabbing. It is also requesting funding of \$3,160 to pay for increased costs associated with the handling of the department's increased volume of mail.

The cost of paper has increased by ten percent this past year. The department is requesting \$1,800 to cover the costs associated with the paper used for printing the biannual newsletters sent to credential holders. In addition, the department is requesting \$9,250 needed in order to cover the increased costs associated with printing materials for a larger volume of credential holders.

The department is requesting \$3,926 to pay for the increased costs associated with the decorative wall certificates. The department receives a fee of \$10 for each wall certificate and contracts with a printer who creates and mails out the completed certificates. The costs of this contract have increased this year from \$6.87 to \$7.62, which is paid to the printer. The increase is the result of the increase in the price of envelopes, the chipboard and the cost for postage. These costs do not reflect the staff time involved in processing these orders. The department estimates that 5,192 certificates will be purchased this year.

The department had projected a ten percent increase in postage in its last biennial budget request which was not approved. At this time, in addition to handling correspondence from new applicants and credential holders which are the result of legislation passed during the past two years, postage costs have also increased from \$.223 to \$.261 per piece. The department is requesting \$56,761 to cover the increased costs associated with postage.

The state rate for lodging in-state has increased by \$3. The department's lodging for board members and for investigative staff and auditors working in the field during 1996 included 832 lodging payments. Therefore, the department is requesting \$2,496 to pay for the estimated increase in the cost of lodging for fiscal year 1997.

Copying costs have increased at the state's Quick Copy Centers by \$0.002. During the current biennium, the department and boards have implemented a screening panel process (modeled after the Medical Examining Board's screening panel) to screen and prioritize complaints as they are logged into the system. Records are obtained up-front for the screening panel (which is comprised of 5-6 members including staff) to review to determine whether an investigation is necessary and to narrow the focus of the investigation in order to speed up the complaint handling process. Since this expense was not figured into the current budget and a large volume of records are being copied, the department is requesting additional funding to pay for this process which has streamlined the complaint handling process. In order to pay for the increase in copying costs and the increased volume of copying, the department is requesting \$6,216.

Revenue Projection

The department believes that it has the revenue to support funding this request. The department is currently projecting an ending balance this year of \$1,405,644. This request can be covered as shown below:

	FY97
Carryover	2,224,244
Revenue	6,631,500
B-2 totals	7,337,900
16.515/505 granted 4/96 Tax Delinquency	112,200
8/13/96 Request	299,742
Closing Balance	1,105,902

Appendix A -- Cost Summary

			Salaries	LTE	Fringe Benefits	Supplies & Services	Permanent Property
Additional Positions & LTE							
MIS3	Proj	1.00	16,627		5,790		
PA3	Perm	2.00	25,987		9,049		
LA entry	Perm	1.00	16,706		5,817		
CA2	LTE	0.50		8,821	675		
For FY97: MIS3-7 months. PA3-8 months. PA3-6 months, LA entry-9 months. LTE-6 months.							
On-going Support Costs							
Costs related to new positions							
<i>Space</i>		4	Positions			10,965	
<i>General Supplies</i>		4	Positions			3,400	
<i>Printing & Postage</i>						3,000	
Interior Designers							
<i>Postage</i>						1,500	
<i>Printing</i>						1,000	
Security Guards, et. al.							
<i>Criminal Records Checks</i>						4,800	
<i>Screening panel travel</i>						300	
<i>Printing</i>						1,200	
<i>Postage</i>						10,000	
Supplies & Services							
<i>Mail services</i>							
<i>Tabbing</i>						7,988	
<i>Increased mail volume</i>						3,160	
<i>Paper</i>						1,800	
<i>Newsletter volume increase</i>						9,250	
<i>Decorative Wall Cert increase</i>						3,926	
<i>Postage rate increase</i>						56,761	
<i>Lodging rate increase</i>						2,496	
<i>Screening panel copies</i>						6,216	
One-time costs							
Costs related to new positions							
<i>Printing & Postage</i>						5,450	
<i>General Supplies</i>		4	Positions			4,460	
<i>Personal Computers</i>		4	Positions			13,600	
Security Guards, et. al.							
<i>Interactive voice response</i>							48,483
<i>Criminal Records Checks</i>							
<i>installation</i>							1,200
<i>computer & printer</i>							7,000
<i>Files</i>						688	
<i>File cabinets</i>						1,628	

Appendix B -- Full-year Salaries & Fringe Benefits
 Permanent and Project Positions

MIS3	Proj		
hourly/annual salary	1.00	13.651	28,503
fringe benefit rate/annual		34.82%	9,925
total			38,428
PA3	Perm		
hourly/annual salary	2.00	10.668	44,550
fringe benefit rate/annual		34.82%	15,512
total			60,062
LA entry	Perm		
hourly/annual salary	1.00	10.668	22,275
fringe benefit rate/annual		34.82%	7,756
total			30,031

I.T. PROJECT FUNDING PROPOSAL COVER SHEET

Agency: Dept. of Regulation & Licensing Submission Date: 8/14/96

Project Name: Security Guard Interactive Voice System

Contact Person	Address	Phone #	Fax #
Program: Pat McCormack	1400 E. Washington #173	267-2435	267-0644
IT: Amit Trivedi	1400 E. Washington #170	266-8419	267-0644
Budget: Edie Ferguson	1400 E. Washington #185	266-0146	267-0644

Type of Budget Request:

- ITIF Grant Application
 Biennial Budget DIN
 s. 16.505/515
 s. 13.10

For an IT Investment Fund Grant Application. fill in this information:

Grant FY	Amt Requested: \$	Agcy Receiving Appropriation: <u>20.</u> () ()
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For a biennial budget DIN. attach a copy of the DIN and fill in this information:

DIN #	DIN Title:
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For an s. 16.505/515 request. attach the agency letter of request and fill in this information:

FY <u>97</u> Amt Requested: \$ <u>48,483</u>	One-time FTE:
Ongoing Amt Requested: \$	Ongoing FTE:
Agency Appropriation: <u>20.165(1)(g)</u>	PR-REV Source/Type: <u>Annual</u>

For an s. 13.10 request. attach the agency letter of request and fill in this information:

FY <u>9__</u> Amt Requested: \$	One-time FTE:
Ongoing Amt Requested: \$	Ongoing FTE:
Agcy Receiving Appropriation: <u>20.</u> () ()	Sending Appropriation: <u>20.</u> () () or Fund Source:

PROJECT FUNDING PROPOSAL

PROJECT NAME: Security Guard Interactive Voice System (IVR)

DESCRIPTION

The Department is requesting funding to operate an interactive voice response system in order to facilitate the regulation of security guards. An interactive voice response system automates incoming calls for transaction processing, information retrieval and information dissemination. The department believes interactive voice could be used in the following ways to assist in the regulation of security guards:

* In the case of a security guard with a permit from a law enforcement agency, the system could ask the applicant for basic information about himself or herself and for the name and license number of their employers which could be entered directly into the computer and could result in issuing a credential to them.

* For new security guards, the system could ask basic questions of applicants, including whether or not they had been convicted of a crime and the name of the employer which could be directly entered into the computer. Once a criminal record background check has been completed and if the applicant is eligible, a temporary permit could be printed while follow-up takes place with the employer and the FBI check.

* The system could also be used to keep track of employment of security guards by asking employers to give name, address, and permit number of any security guard who terminates employment or becomes employed by the employer after the employer provides the system with his or her name and license number.

* The system could also be used to track employment of private detectives and real estate agents, using the method described above. In the case of private detectives, the system would need to check on whether the new employer's liability insurance covers the employee and if not, informing the private detective that separate coverage must be obtained.

The cost associated with implementing this systems includes the \$48,483 for the hardware and the custom design of the system.

PRIORITY

Preliminary work on this project will start November 1, 1996, and completed by December 31, 1996.

TIMETABLE

10/25/96 - Receive software and related hardware

12/14/96 - Completed set-up and testing, identify and resolve system problems

12/15/96 - Train staff on the use of system

12/31/96 - System is operational

TECHNICAL FEATURES

At its most basic level, this system is a minicomputer consisting of controlling and speech processing hardware, an operating system based on UnixWare, and Intuity Conversant software. The system architecture was designed specifically for voice response applications, and is optimized to meet the most stringent performance requirements of those applications.

We will purchase this system from Centurion Computer Systems, Inc, a State Contractor.

COSTS

Project Cost Detail			
Cost Element	Cost Item	PY/FY 98	Ongoing \$s
<i>Hardware</i>		\$39,257.00	
<i>Software</i> (Application design, program, test, implement, follow-up)		9,226.00	
Total Costs		\$48,483.00	

SAVINGS OFFSETS

When the system is fully implemented and operational, customers will be able to access the data 24 hour a day, seven day a week. Current employee who handles these calls now will be able to do other works in the office, and therefore, save money for the Department.

INTANGIBLE BENEFITS

Unmeasured benefits: Customer comments will be used to continually improve the IVR system, especially in the prerecorded three-minute instructional messages and in better updating of schedule information.

Measured benefits: The number of phone calls and types of requests being handled by the system will be recorded and data will be compared with future recorded data to measure the amount of information accessed by the public.