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TO: Assembly Committee on Regulatory Licensing Reform
FROM: Senator Rob Stafsholt
DATE: May 10, 2023
SUBJECT: Testimony in Favor of Assembly Bills 200, 201, 202 & 206

Thank you, Chairman Sortwell and members of the Assembly Committee on Regulatory Licensing Reform, for allowing me to submit testimony in favor of Assembly Bills 200, 201, 202 and 206.

Over the last couple of years, I have heard from many frustrated constituents that are dealing with unnecessary delays, confusion and lack of communication while attempting to get an occupational license from the Department of Safety and Professional Services (DSPS). These unnecessary delays cause individuals to postpone starting their careers or stops them from entering the workforce. Wisconsin businesses are struggling to find qualified workers so we need to ensure our licensure process is streamlined and functions efficiently. We cannot afford to fall behind other states in attracting skilled individuals to live and work in our state.

In response, leadership created the Legislative Council Study Committee on Occupational Licenses, and Representative Sortwell and I were appointed as Chair and Vice-Chair. The study committee was created with the goal of finding solutions so current and future license holders can be licensed in a timely manner. In other words, we were tasked with finding long-term solutions that will fix the problems plaguing DSPS.

Through our conversations with licensed professionals, research and policy groups, and the Department of Safety and Professional Services, our study committee focused our bill recommendations on three primary issue areas: *data tracking, workload simplification, and reciprocal credentialing.*

Assembly Bill 200 and 201 fall under the area of data tracking. The committee felt it was important to have a better handle on the numbers. The committee recommended two bills for introduction: Assembly Bill 200, which requires DSPS to include credential processing data in the report it submits to the Legislature every two years; and Assembly Bill 201, which requires DSPS to update processing time information on its website every month, so that a person submitting a credential application can anticipate the time for processing. These both require some basic information, such as the number of applications submitted and the median amount of time it's taking to process the applications.

For the second issue area, the study committee looked at ways it could help DSPS and applicants have a simpler process, while maintaining integrity in the review of applications. Assembly Bill 202 falls in this issue area. The bill seeks to reduce the workload needs in reviewing a person's criminal conviction record.

For the third issue area of reciprocal credentialing, the study committee recommend Assembly Bill 206, which requires DSPS to post on its website whether other states' credentials for health care professions would qualify a person to obtain a reciprocal health care credential in Wisconsin.

Study committee members broadly supported all of these bills and recommended them for introduction. We felt like these bills would improve processes and oversight. Thank you for your support of these bills and feel free to reach out with any questions.



WISCONSIN INSTITUTE
FOR LAW & LIBERTY

Testimony in Favor of Assembly Bills 200, 201, 202 & 206

Assembly Committee on Regulatory Licensing Reform

May 10, 2023

Thank you Chairman Sortwell and members of the committee for accepting my testimony in favor of Assembly Bills 200, 201, 202 and 206 today. I would also like to thank all of the members of the Legislative Council Study Committee on Occupational Licenses for their time and dedication to the study committee process that brought forward these important solutions. My name is Kyle Koenen and I am the Policy Director at the Wisconsin Institute for Law & Liberty.

In March 2022, WILL released *Backlogged: Licensing Delays Keep People from Entering the Workforce*, a report that outlined some basic solutions that would bring more transparency and accountability to the well-documented license backlogs at the Department of Safety and Professional Services (DSPS). Included were recommendations for the agency to set their processing goals and track them in a public facing performance dashboard. In preparing this report, WILL requested that the agency provide data showing the processing time for licenses in each licensing category. DSPS responded that they were unable to provide this information because they did not track it at the time.

This was perplexing because in their 2021-23 Biennial Budget Request, DSPS indicated that they were processing licenses in both 2019 and 2020 within 8 days on average, well within their goal range of 7 to 10 days. However, in their October 2022 report to the Legislative Council Study Committee on Occupational Licenses, DSPS reported that the actual processing time during these two years were 74 and 86 days respectively. This discrepancy indicates that at the time, perhaps DSPS did not take the role of measuring performance all that seriously.

For DSPS to truly tackle the backlog issue in the long run, they must implement performance-based systems based on measurable goals and outcomes. These bills go a long way towards providing the data that will encourage a culture of performance and execution at DSPS, while also removing some of the key bureaucratic hurdles that prevent people from entering the workforce in a timelier manner. They will also provide the legislature and public with the information needed to exercise their oversight role and continually hold the agency accountable.

Assembly Bill 200

Assembly Bill 200 would require DSPS to include a number of important metrics in their biennial report to the Legislature. It requires the department to report the following:

- The lowest, highest and median number of days from an applicant's initial license application to the day that it is decided for each license category.

- The median number of contacts made by an applicant to the department before a credential is issued for each license category.
- The number of applications for initial, renewal, and reciprocal credentials that DSPS requests additional information.
- Finally, the number of applications for each license category which some form of legal review by the agency.

All of these metrics will help DSPS identify areas of need, so they can efficiently deploy staffing resources where deficiencies exist. This report will also give lawmakers the necessary information to pinpoint potential choke points in the process. Some of these choke points could be the result of unnecessary regulations that may play little role in protecting the public. This report could give lawmakers direction to further investigate these potential barriers, so they could take action to eliminate them.

Assembly Bill 201

Much like the previous bill, Assembly Bill 201 would provide the DSPS leadership team, the public and the legislature with timely information regarding license processing times. By requiring the agency to report both the incoming applications and final determinations, interested parties would have up-to-date information on whether the agency is making progress eliminating backlogs or whether the backlog is worsening. It will also give real-time information that will allow the agency to direct resources and staff to credential areas that have amassed a backlog of applications.

Assembly Bill 202

Assembly Bill 202 makes reasonable changes to DSPS's process for handling applications for individuals that have minor offenses on their record such as an underage drinking or a first-offense OWI that is more than 5 years old. These types of cases bog down the legal review process at DSPS, contributing to backlogs and preventing otherwise qualified people from entering the workforce in a timely manner. It is also my understanding that these offenses rarely result in a license denial, so this bill will allow the department to work more efficiently and focus on applications with more serious offenses.

The bill also allows employers to attest that their employee does not have a conviction record that would preclude them from receiving a license. Employers already conduct background checks on prospective employees, so this process would reduce duplication in the employment process.

We would like to flag one provision for the committee's consideration. Subsection 440.03(13)(bx) requires the department to promulgate rules to implement the bill. As written, the bill outlines the duties and powers of DSPS in a clear-cut manner, putting into question the necessity of this provision. We'd encourage the committee to consider removing this provision. The power to write laws is an incredible power that the people of Wisconsin elected the

legislature to engage in. If you are going to give that power away to unelected bureaucrats, you should do so in the most limited and specific means possible.

Assembly Bill 206

With stagnant population growth and low in-migration, Wisconsin is facing growing demographic challenges that will threaten our state's ability to thrive in the long run. Unfortunately, licensing requirements can vary from state to state. This forces otherwise qualified individuals to retake tests or in some cases return to school to meet their new state's requirements. To be competitive with other states, we must do everything we can to remove barriers to attracting additional talent and workforce to the state. Assembly Bill 206 takes a reasonable step towards accomplishing this goal by requiring DSPS to be transparent about whether another state's licensing requirements are "substantially equivalent" to Wisconsin's. If they are not, then DSPS must be forthcoming about what an applicant would need to do to become licensed.

This is an important step to give an applicant greater certainty but doesn't go far enough. First, we'd recommend that the bill be amended to extend this analysis beyond health care professions. Many other professions are also experiencing shortfalls and would benefit from this legislation. Second, it doesn't address the underlying problem of requiring experienced licensed professionals from other states to jump through hoops to become licensed in Wisconsin. We hope the committee will consider a universal license recognition law in the near future to address the larger issue at hand.

Thank you for your time and consideration today. I'd be happy to answer any questions.



DATE: May 10, 2023
TO: Assembly Committee on Regulatory Licensing Reform
FROM: Mike Tierney, Legislative Liaison, Department of Safety and Professional Services
RE: Assembly Bill 201 - Publication of credential metrics

Good afternoon,

Thank you for the opportunity to submit this testimony on Assembly Bill 201.

The Department has made strides in licensure and has a great story to share through the provision of meaningful and relevant data.

LicenseE places applicants in the driving seat of their applications. The launch of that system in May of 2022 has been extremely successful and, as of two days ago, applicants who seek a business credential are now able to share in that success.

This bill, as introduced, contains no funding for software modifications that will need to be made to produce the data necessary to produce the report. Nor does the bill contain a delayed effective date to ensure the software is in place. The bill is also silent on the staffing needed to gather the data necessary to track and produce the data necessary for the report.

While there are the same concerns with arbitrary metrics found in this bill as in Assembly Bill 200, this bill also requires the reporting of applications submitted and in process after 45 days have elapsed.

Presently, if an application is submitted, is clean, and the applicant is engaged and legally eligible – licensing timelines across all occupations in LicenseE are under 45 days.

If an application is initiated and takes more than 45 days to complete, that is likely due to circumstances beyond the Department's control. Some individuals apply for licenses long before they are eligible. We see applications come in months before someone is due to graduate or sit for an exam. In other instances, individuals who reported previous convictions or other legal violations must also go through the legal review process. Some applications are simply abandoned and never withdrawn. Other times an applicant has unusual circumstances or complexity to their application, and these circumstances require more communication back and forth with our staff.

The question applicants will naturally ask if this bill were to become law is this: Why are credentialing staff being pulled away from processing the applications of people who are active and engaged and ready to be licensed, to produce a regular report on the number of incomplete applications that are more than 45 days old?

Under the old system, there is no doubt that timelines were at times onerous. Timelines went up every year under the Walker Administration under that system and it was a trend that continued until the implementation of LicenseE. To the extent that metrics ought to be reported, those metrics ought to report information that is relevant to and driven by the current systems in place.