



September 23, 2022

**TO: Legislative Council Study Committee on the Commercial Building Permitting Process**

**FROM: Mike Tierney, Legislative Liaison, Department of Safety and Professional Services**

Committee members,

Please find responses to questions raised during your last meeting below from Division Administrator Branden Piper and department staff.

1. Discussion about Delegated Municipalities

a. How many

*Commercial Buildings - 328 in varying capacities*

<https://dps.wi.gov/Documents/Programs/CommercialBuildings/CBDelegatedMuni.pdf>

*Currently 10 municipalities are reviewing all building sizes because of 1<sup>st</sup> or 2<sup>nd</sup> class status. 39 municipalities are reviewing all building sizes due to Wis. Stat. § 101.12(3g).*

*Plumbing-42 in varying capacities*

<https://dps.wi.gov/Documents/Programs/Plumbing/AgentMunicipalities.pdf>

*19 of the 42 delegation municipalities have the capability to review the following items in addition to the plan review types listed in Table 382.20-2:*

- *Stormwater and clearwater infiltration plumbing systems servicing a public building or facility.*
- *Treatment systems, other than POWTS, designed to treat water for compliance with Table 382.70-1.*

*Fire Suppression/Fire Alarm-59, almost all of which conduct PR for all sized buildings*

<https://dps.wi.gov/Documents/Programs/FireSuppressAlarm/FSFADelegatedMuni.pdf>

b. What is the process for delegating

<https://dps.wi.gov/pages/SearchResults.aspx?q=delegated%20municipality%20application>

c. Is there capacity to add more delegated agents

*The department values its partnerships with delegated agents and has promoted delegated agent status. However, increased delegation shifts some of the workload but not all, as some delegated municipalities do not have staff with required qualifications to handle full delegation of all types of inspection and plan review. Once a municipality is delegated there is still necessary interaction between delegated municipalities and the department on a variety of issues. Increased delegation would also increase the need for audits, which can be labor intensive.*

d. Audits

i. Do we conduct them?

*Traditionally yes, though they have been very minimal over the past three years (2020, 2021 due to COVID and all three years due to plan review volume). While our goal is 10% per year, that is not attainable with current staffing.*

ii. Statutory requirements for auditing?

*No, there is no language in §101 or §145 that refers to delegated municipality audit requirements.*

e. Collaboration with delegated agents- how often do first class cities request DSPPS input?

*This happens infrequently, typically once to twice a year. One instance involved a concert at American Family Park where our assistance was requested to consult on folding seat placement as it pertained to egress requirements. We are generally asked to step in when delegated municipalities lose staff and relinquish delegation, and we remain involved until they hire and train new staff. This absorption of work does not come with additional staff and our six-week timeframe goal remains constant despite sometimes significant fluctuations in work volume due to delegation changes. As an example, the department had to pick up city of Milwaukee’s plumbing plans for six months in 2020-2021.*

2. How the plan review process changed to the current system?

*We heard from some constituents and legislators that our plan review timeframes should be different than what we were executing. For example, a December 2019 meeting with Senator Roth established a 6-to-8-week industry requirement for plan review turnaround. This requirement was repeated in Rep. Rodriguez’s written testimony to support the advancement of 2021 Assembly Bill 152 (referenced on page 18 of the Staff brief). As a result of these publicly stated expectations, the department evaluated our submission/review process and implemented changes to gain the efficiency needed to comply with the new requirement. This effort was further pushed by COVID-19 and a department mandate to replace our very aged software platform.*

3. Staffing

a. Staffing trends?

*This has been difficult to pull together as position descriptions change and the department was reorganized in 2011. In 2000, the department had 25 commercial building plan reviewers and 17 commercial building inspectors. Currently the department has 18 commercial building plan reviewers and 10 inspectors.*

b. Do fees cover costs?

Revenue vs. Expense for the Commercial Buildings and Plumbing programs, 5-year history	
2018	
2019	
2020	
2021	
2022	
Five Year	
Average	
Commercial Buildings	
Revenue	
	(\$6,945,621.35)

(\$6,480,263.08)
(\$6,001,949.33)
(\$6,076,143.50)
(\$6,768,373.86)
(\$32,272,351.12)
(\$6,454,470.22)
Expense
\$2,105,132.82
\$1,879,881.71
\$2,204,523.38
\$2,487,291.15
\$2,774,774.98
\$11,451,604.04
\$2,290,320.81
<b>Revenue Balance **</b>
<b>(\$4,838,470.53)</b>
<b>(\$4,598,362.37)</b>
<b>(\$3,795,405.95)</b>
<b>(\$3,586,831.35)</b>
<b>(\$3,991,576.88)</b>
<b>(\$20,810,647.08)</b>
<b>(\$4,162,129.42)</b>
Expense as a % of revenue
<b>30.3%</b>
<b>29.0%</b>
<b>36.7%</b>
<b>40.9%</b>
<b>41.0%</b>
<b>35.5%</b>
Plumbing (excludes sewage (POWTS))
Revenue
(2,514,187.70)
\$
(2,351,672.53)
\$
(2,474,054.95)
\$
(2,372,092.20)
\$
(2,496,583.61)
\$
(\$12,208,590.99)
(\$2,441,718.20)
Wisconsin Fund Transfer *
300,000.00
\$
302,000.00
\$
646,000.00
\$
303,341.12
\$
-
\$
Expense
\$977,132.61
\$1,091,786.66
\$1,278,496.97
\$1,146,294.76
1,236,156.12
\$
\$5,729,867.12
\$1,145,973.42
<b>Revenue Balance **</b>
<b>(1,237,055.09)</b>
\$

(957,885.87)
\$
(549,557.98)
\$
(922,456.32)
\$
(1,260,427.49)
\$
Expense as a % of revenue
38.9%
46.4%
51.7%
48.3%
49.5%
46.9%
Revenues are displayed as negative amounts in the accounting system.
This captures only expenses that are coded directly to the program areas; not anything incurred as program-wide costs (project code 16500GENPRO2ADM)
e.g., rent, IT equipment, eSLA, and other indirect/overhead is not displayed here.
* Wisconsin Fund Transfer
Between 2018 and 2021 the amount transferred to the Wisconsin Fund was allocated proportionally between Plumbing plan review and sewage plan review (POWTS)
In 2022 this was changed and all transfers to the Wisconsin Fund were not designated by their source. A transfer is simply made from 221 to 236 using a specific transfer project code.
Annually we transfer from 221 to 236 for the Wisconsin Fund
** This balance is not a running balance

*Yes, fees amply cover costs. As you can see from the graphic above, the commercial building and plumbing program areas spent an average of 36 and 47 percent of their collected revenue, respectively, over the last five years. The department has not been authorized to use this fee surplus to hire more staff. Because of the availability of fee revenue and the interest in adjusting the services offered in the Division of Industry Services, the department has requested in our recent budget proposal the staff necessary to implement desired services, such as accelerated review of small projects (4 FTEs), four-week plan review decisions (14 FTEs), advance scheduling of plan review dates (7 FTEs), and more expedient scheduling of inspections (5FTEs).*

c. Contracted inspections explanation

*Contracted inspectors are required when the department staffing is insufficient to conduct inspections. In these cases, a bid process is initiated through DOA and procurement. Third-party contractors are solicited to bid for geographic regions. The Elevator, Boiler, Electrical, and UDC program areas have all had to employ contracted inspectors to meet industry demand.*

d. Delegated inspections explanation

*Any municipality may apply for delegated status in any program area assuming it can demonstrate proof of credentialed inspectors on staff (or contracted).*

e. Why have DSPS do the work vs. outside contractors?

*It is easier to maintain consistency with DSPS staff than it is with outside contractors. This is important because all inspections should be conducted with a consistent application of code. State procurement processes can also be slow and do not lend themselves to bringing on third-party agents quickly. Often the need for additional support emerges unexpectedly, such as the city of Milwaukee plumbing example above.*

f. How much more staff would it take to get to four-week plan approval?

*Given more recent interest in reducing plan review turnaround times to four weeks from six, the department evaluated systems and staff to determine what staffing additions would be necessary and then we included that level of staff increase in our recent budget submission. What we determined was that an additional 14 plan review positions would be required to reduce plan-review turnaround from six weeks to four weeks. These positions would be distributed among commercial building reviewers, plumbing reviewers, and fire suppression/fire alarm. We included these positions in our recent budget proposal.*

g. What causes lack of staff?

*We are experiencing a historic moment in the labor market with extraordinarily high participation and low unemployment. It is difficult for many employers to attract and retain skilled workers. Beyond that, the department has faced consistent challenges in recruiting and retaining talent. Department compensation packages are often not competitive in the marketplace. Applicants can simply get more money, better work conditions, and better benefits elsewhere. In fact, we often lose employees and candidates to some of our delegated municipalities. Also, after the department reorganization in 2011, some positions were left vacant and eventually lapsed. Some highly tenured employees left in response to Act 10. We lost institutional knowledge and that impacted working conditions.*

h. Current staffing vacancies?

*Currently we are recruiting for one electrical inspector and one section chief.*

i. Are all positions working from the office? What % of staff working in office? How will that look in the future?

*Due to the need to conduct on-site inspections at locations throughout the state, the Division of Industry Services has historically had a hybrid workforce and division supervisors have experience overseeing remote teams. While field staff typically maintain home offices and travel to sites for inspections, other division staff reports to an office two days a week at a minimum.*

*Looking ahead, we will continue to consider all options that enable the department to attract and retain the most qualified candidates who will be able to meet expectations and keep plan review turnaround time at six weeks. In fact, the changes we have implemented in the past two years have cut plan review times in half. We reached this level of service during the pandemic when we were implementing new systems, and we have maintained it since. For example, plumbing plan review turnaround times were frequently 16 weeks or higher for much of 2018 when only field staff worked remotely. Now plumbing review times are steadily at 6 weeks while we maintain a hybrid staffing model. Other divisions have also been able to maintain productivity with hybrid or remote work. For example, our call center staff members, who are housed in the Division of Professional Credential Processing but support all agency operations, are equally productive in either environment.*

*Finding staff who can maintain this level of efficiency is a top priority for the department, and workplace flexibilities enable us to attract a broader pool of qualified candidates. For example, we had had several failed searches for an attorney for the Division of Professional Credential Processing until we broadened our recruitment statewide with remote options. Since hiring that attorney, we have been able to maintain a six-week turnaround for legal review decisions. Prior, that timeframe was closer to twelve weeks.*

4. DIS program overview

- a. What else does DIS do?

*We oversee plan review and or inspection for commercial buildings, including fire alarm and sprinkler systems, boilers, elevators, mine safety, public sector safety, amusement rides, ski lifts, plumbing and electrical installation, POWTS, 2% Fire dues, and UDC (residential) construction. It is a broad range of program areas and responsibility.*

5. Inspections

- a. Should we do more or less than we do now?

*The number of inspections currently performed has allowed us to ensure compliance without having to force major rework of noncompliant installations. The frequency of inspections is key to this. If inspection intervals are extended, noncompliance will result in costlier rework and more significant project setbacks.*

- b. Concern that inspectors aren't getting to sites and builders shouldn't have to hold up a project (not sure if this was in reference to DSPS or locals)

*We have not heard concerns about timelines for inspection requirements. Anyone with concerns about inspector availability on particular projects is welcome to contact our office.*

<https://docs.legis.wisconsin.gov/document/administrativecode/SPS%20361.41>

6. Plan Reviewers

- a. What is the process for dealing with complaints about reviewers (part of not being able to choose reviewer)

*If someone disagrees with a plan reviewer's interpretation of code, they can notify the Division Administrator or someone within the secretary's office. The interpretation will be evaluated. If an internal decision cannot be reached, the disputed matter can be sent to International Code Council for review and feedback.*

7. How is the six-week plan review date calculated

*Our plan-review turnaround time is six weeks or less from the date we receive a complete plan.*

- a. How long to get a review date, is that included in the 6 weeks?

*It takes 72 hours to get a review day, and that time is included in the 6 weeks.*

- b. Could smaller projects have a shorter turnaround time?

*As noted in our budget request, adding four permanent FTEs devoted to this would allow the department to provide one-week plan review for small and simple plans (limited by the hours available for these additional reviewers).*

- c. How often is the 6-week timeline missed when there is a complete plan submitted?

*The department is successfully meeting the six-week requirement. Less than 2% of complete submissions take more than 30 business days.*

- d. How long does a typical plan review actually take?

*Plan reviews can vary a great deal, from 1 hour to 50 hours. The average is around 3-3.5 hours*

8. Website

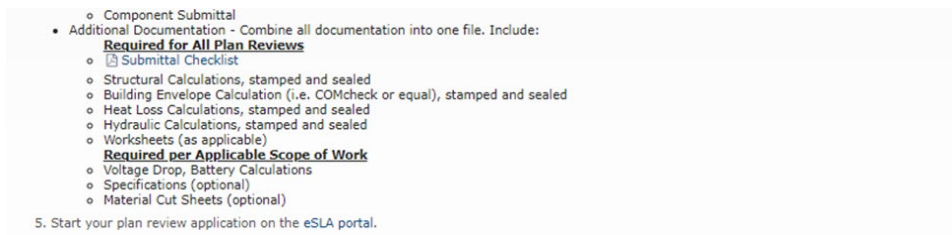
- a. What information about plan review requirements is available for reference?

<https://dsps.wi.gov/pages/Programs/PlanReview/Default.aspx>

- b. Is the checklist on the website the same as in eSLA and by our staff

*Yes*

<https://dsps.wi.gov/Pages/Programs/CommercialBuildings/Default.aspx>



<https://dsps.wi.gov/Documents/Programs/Plumbing/ChecklistPlumbingPlans.pdf>

9. Explain permissions to start letter

- a. Footings and foundation

- i. Can they pour?

*Yes*

- b. Could the permission to start be expanded to build the shell?

*That is a possibility, but it would be prudent to anticipate the full range of potential outcomes of such an expansion. We would welcome a more robust discussion about what the expansion would entail and what protections would be in place to ensure that owners will not find themselves facing extensive and expensive remediation and rework. Certainly, shifting the burden to the owner would be necessary, but there could be significant costs and delays associated with tearing down and rebuilding noncompliant work. We believe it would be prudent to have clarity around potential risks and liabilities before exploring permission-to-start expansion.*



10. The old system of choosing a date in the future saved up to a month of project time for small interior buildouts.

*We are aware that some customers want to reinstate portions of the previous plan review system while maintaining the efficiencies of the current system. To maintain turnaround times and restore some of the tailored options, such as scheduling a plan review date in advance of submission, we would need to develop another process and add staff to implement and run it. As noted in our budget request, seven additional FTE positions would be needed to allow the department to provide scheduled plan review on a limited basis.*

11. Has DSPPS considered expedited review fees OR perhaps allowing choosing a date before the plan is ready to submit and lose the fee if the plan isn't ready by that date?

*This is primarily an issue of fairness. Expedited fees favor large submitters with bigger budgets and margins, and they enable these submitters to step to the front of the line by paying an additional fee. This puts them ahead of submitters who followed our established process. Ultimately, it is unfair to treat submitters disparately. While there are some ways to build some flexibility into the system—such as allowing submitters to schedule a review date in the future—that additional process would necessitate additional staff to implement and operate.*

12. How do plan revisions impact the plan review timelines?

*The extent to which revisions impact plan review timelines depends on the size and scope of the revision. Small revisions are generally absorbed into the timeline. A major revision could require an extended turnaround time, as those could be tantamount to a resubmission.*