
Wisconsin Legislative Council

MINUTES



STUDY COMMITTEE ON OCCUPATIONAL LICENSES

411 South, State Capitol
Madison, WI
August 2, 2022
10:00 a.m. – 3:15 p.m.

CALL TO ORDER AND ROLL CALL

Chair Stafsholt called the meeting to order and determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Sen. Rob Stafsholt, Chair; Rep. Shae Sortwell, Vice Chair; Sen. Janis Ringhand; Rep. Supreme Moore Omokunde; and Public Members Monica Johnson, Stanley Johnson, Jessica Ollenburg, Albert Walker, and Ann Zenk.

COUNCIL STAFF PRESENT: Rachel Letzing, Deputy Director; Margit Kelley, Senior Staff Attorney; Patrick Ward, Staff Attorney; and Talia Braufman, Intern.

APPEARANCES: Moriah Rapp, Fiscal Analyst, and Paul O. Ferguson, Program Supervisor, Legislative Fiscal Bureau; Zaakary Barnes, Policy Associate, Employment, Labor & Retirement Program, National Conference of State Legislatures (NCSL); and Dan Hereth, Secretary-Designee, Mike Tierney, Legislative Liaison, and Sarah Norberg, Attorney Supervisor, Department of Safety and Professional Services (DSPS).

OPENING REMARKS FROM RACHEL LETZING, DEPUTY DIRECTOR, LEGISLATIVE COUNCIL STAFF

Chair Stafsholt welcomed committee members and introduced Rachel Letzing, Deputy Director of the Legislative Council Staff. Ms. Letzing thanked the members for their service and presented a video featuring Wisconsin legislators discussing the importance of study committees.

BRIEF INTRODUCTION OF COMMITTEE MEMBERS

Chair Stafsholt introduced himself and explained his interest in the topic. At his invitation, committee members introduced themselves and briefly explained their backgrounds.

DESCRIPTION OF DISTRIBUTED MATERIALS BY LEGISLATIVE COUNCIL STAFF

Margit Kelley, Senior Staff Attorney, and Patrick Ward, Staff Attorney, provided an overview of the material in Staff Brief 2022-04, [Study Committee on Occupational Licenses](#) (July 25, 2022). A copy of their PowerPoint presentation is available on the committee's [website](#).

**PRESENTATION, OVERVIEW OF DSPS FUNDING AND STAFFING, BY MORIAH RAPP,
FISCAL ANALYST, AND PAUL O. FERGUSON, PROGRAM SUPERVISOR,
LEGISLATIVE FISCAL BUREAU**

Ms. Rapp and Mr. Ferguson provided an overview of how DSPS is funded and staffed. A copy of their handout is available on the committee's [website](#).

Ms. Rapp began by discussing the funding process of DSPS. She explained that DSPS is not funded by general purpose revenue (GPR), but rather by the revenue the agency brings in through collected fees. The biennial budget act lays out the majority of funding for state agencies, which is provided in appropriations. Ms. Rapp noted that an agency must receive authorization from the Legislature to make expenditures for specific purposes.

Similarly, DSPS staffing must be approved by the Legislature. In addition to a biennial budget act, positions may be authorized by the Legislature through other budget enactments, by the Joint Committee on Finance (JCF), or by the Governor for federally funded positions. Ms. Rapp stated that positions are authorized on either a permanent or project basis.

Ms. Rapp and Mr. Ferguson responded to a variety of questions from committee members, including the following: circumstances in which DSPS had requested passive review approval for supplemental expenditures or additional staffing; recent staffing and position changes; the role of the JCF in staffing and funding; and general funding inquiries.

**PRESENTATION BY ZAAKARY BARNES, POLICY ASSOCIATE, EMPLOYMENT, LABOR &
RETIREMENT PROGRAM, NATIONAL CONFERENCE OF STATE LEGISLATURES**

Mr. Barnes presented an overview of NCSL's work with occupational licenses since 2017. His PowerPoint is available on the committee's [website](#).

First, Mr. Barnes discussed NCSL's role in monitoring occupational licenses and indicated that one goal of this work focused on states' efforts to reduce barriers to four population groups: (1) those with a criminal history; (2) military veterans and their spouses; (3) immigrants with work authorization; and (4) low-income and dislocated workers. To address these barriers, the U.S. Department of Labor supported a joint effort by NSCL, the Council of State Governments, and the National Governors Association to implement a learning consortium of numerous states around the country, including Wisconsin. Member-states researched and identified methods to address these barriers and produced a final report that detailed their findings.

Further, Mr. Barnes provided an overview of sunrise and sunset processes across states. Sunrise reviews occur prior to the codification of rules or requirements in statute to evaluate whether an occupation should be regulated. Currently, approximately 15 states have a sunrise process. Sunset reviews allow legislators to evaluate the effectiveness of certain licensing requirements and may result in a modification or elimination of a license or board. He provided a brief comparison of sunset review systems implemented in Arkansas, Washington, and Texas, and sunrise review systems in Idaho, Vermont, and Hawaii.

Questions for Mr. Barnes focused on universal licensure, reciprocity, the role of the COVID-19 pandemic in continuing education requirements, and economic impacts of the sunrise and sunset processes by state.

PRESENTATION BY DAN HERETH, SECRETARY-DESIGNEE, MIKE TIERNEY, LEGISLATIVE LIAISON, AND SARAH NORBERG, ATTORNEY SUPERVISOR, DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

Mr. Hereth, Mr. Tierney, and Ms. Norberg provided information on the background of DSPS and its role in administering licenses. The committee's [website](#) provides a copy of their distributed materials.

Mr. Hereth explained that DSPS has some of the lowest licensing fees in the country and is among the most efficient processing departments in the Midwest. Licensure decisions for health and business professions take, on average, 45 days after individuals begin their applications, and decisions for trades professions are statutorily limited to 21 days. He noted that while DSPS works to efficiently administer licenses, the department is understaffed and struggles to keep up with the growing number of credential applications, and noted that processing delays do occur for some licensure applicants.

Mr. Hereth identified several steps to improve operations at DSPS, such as the addition of limited term and project positions, team reorganization, and the technological modernization of records. He reiterated that even though these steps help to deliver services efficiently, the volume of work still exceeds staff resources.

Mr. Tierney restated the efficient nature of DSPS's licensure timeframe compared to neighboring states. He further urged the Legislature to use the application fees for their intended purpose and to allow the department to use these fees to add ample staffing and resources. Mr. Tierney explained obstacles to the timeliness of legal reviews, and suggested that adequate funding must be in place to expedite this process.

Ms. Norberg described the history of DSPS's Division of Legal Services and Compliance and its recent reorganization to establish a specific legal review team. This team focuses on legal reviews relating to legal issues, such as pending charges and conviction records of applicants, applications for reciprocal licenses, and disciplinary actions for unprofessional conduct. Ms. Norberg stressed that the inability to recruit quality staff hinders the productivity of the legal review team, and, thus, prolongs the licensure process.

DSPS received questions on a variety of topics, including the following: separate data between health and business professions on the average number of days for the issuance of a license; required transfers from DSPS program revenue to the general fund; how a criminal record impacts the licensure process; the costs to sufficiently staff the department's licensure application services; delays in the legal review process; and DSPS' duty to ensure safety and competence.

ROUNDTABLE ON MEMBERS' PRIORITIES FOR THE COMMITTEE

Following presentations from the invited speakers, Chair Stafsholt invited committee members to discuss the information they received and provide suggestions for future meetings. Building on questions posed to DSPS regarding licensure applications, members commented that they would be interested in looking at ways to avoid duplicating background checks performed by the private sector or required by insurance, expand the temporary licensure process to additional occupations or self-employed individuals that was created for health care providers under 2021 Wisconsin Act 10, and create clear standards and data reporting for licensure application processing.

Chair Stafsholt invited members to send suggestions for future testimony and a collated list of bill drafting options to Legislative Council staff.

Committee members requested additional information in the following areas: data on the number of license applications DSPS processes and separate allocations of the average time it takes for both health and business professions to receive a licensure determination.

PLANS FOR FUTURE MEETINGS

Chair Stafsholt reminded members that the committee has scheduled the following subsequent meetings:

- September 27, 2022, in Room 411 South, State Capitol.
- October 12, 2022, in Room 411 South, State Capitol.
- November 15, 2022, in Room 411 South, State Capitol.
- December 13, 2022, in Room 411 South, State Capitol.

ADJOURNMENT

The committee adjourned at 3:15 p.m.

TB:MSK:PW:ksm