



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #649

Modifications to Certain Credential Holders' Renewal Dates (R&L)

[LFB 2005-07 Budget Summary: Page 426, #9]

CURRENT LAW

The statutes establish a uniform biennial renewal date for each profession or type of business subject to licensure by the Department of Regulation and Licensing (R&L). All active credential holders in a profession or type of business will have their current occupational license expire the day before that statutory date, and all license renewals for the following biennium will uniformly begin on that statutory date. Typically, the Department sends renewal notifications to credential holders two months before the scheduled renewal date and then processes the renewals during that two-month period. These renewal dates fall throughout the biennium and generate a significant portion of R&L's revenue stream.

The following table summarizes the distribution of statutory renewal dates by month in each odd-numbered year and in each even-numbered year of the biennial renewal cycle for the 97 regulated professions and 317,600 current credential holders (based on February 2005, data). The table shows the number of credential types and the total number of credential holders subject to license renewal each month.

Current Statutory Renewal Dates by Month

<u>Odd-Numbered Year</u>			<u>Even-Numbered Year</u>		
<u>Month</u>	<u>Credential Holders</u>	<u>Credential Types</u>	<u>Month</u>	<u>Credential Holders</u>	<u>Credential Types</u>
January	32,300	11	January	23,000	9
February	500	2	February	5,400	4
March	2,700	1	March	71,300	2
April	0	0	April	0	0
May	16,200	1	May	0	0
June	600	1	June	8,100	4
July	65,800	27	July	1,500	3
August	5,800	3	August	25,300	6
September	0	0	September	8,200	5
October	11,300	7	October	2,200	1
November	37,400	10	November	0	0
December	0	0	December	0	0
Total	172,600	63	Total	145,000	34

GOVERNOR

Adjust the statutory renewal dates for biennial occupational credentials for 47 of the 97 professions and types of businesses licensed by R&L. It is estimated that the recommended modifications would affect approximately 121,300 of the more than 317,600 credential holders in professions and businesses regulated by the Department.

Renewal Dates Shifted from July 1 of Odd-Numbered Years to April 1 of Odd-Numbered Years. Shift the renewal date of the following 26 professions or businesses by three months from July 1 of each odd-numbered year to April 1 of each odd-numbered year. It is estimated that 65,500 credential holders would be affected by these changes.

Aesthetician	Electrology School
Aesthetics Establishment	Electrology Specialty School
Aesthetics Instructor	Manicuring Establishment
Aesthetics School	Manicuring Instructor
Aesthetics Specialty School	Manicuring School
Barbering or Cosmetology Establishment	Manicuring Specialty School
Barbering or Cosmetology Instructor	Manicurist
Barbering or Cosmetology Manager	Marriage and Family Therapist
Barbering or Cosmetology School	Professional Counselor
Barber or Cosmetologist	Social Worker
Electrologist	Social Worker (Advanced Practice)
Electrology Establishment	Social Worker (Independent)
Electrology Instructor	Social Worker (Independent Clinical)

Renewal Dates Shifted from January 1 of Odd-Numbered Years to December 15 of Even-Numbered Years. Shift the renewal date of the following 11 professions or businesses by two weeks from January 1 of each odd-numbered year to December 15 of each even-numbered year. It is estimated that 32,300 credential holders would be affected by these changes.

Auction Company	Home Inspector
Auctioneer	Real Estate Broker
Cemetery Authority	Real Estate Business Entity
Cemetery Preneed Seller	Real Estate Salesperson
Cemetery Salesperson	Timeshare Salesperson
Chiropractor	

Renewal Dates Shifted from January 1 of Even-Numbered Years to December 15 of Even-Numbered Years. Shift the renewal date of the following nine professions or businesses by 11½ months from January 1 of each even-numbered year to December 15 of each even-numbered year. It is estimated that 23,000 credential holders would be affected by these changes.

Accountant, Certified Public	Real Estate Appraiser (Certified Residential)
Accounting Corporation or Partnership	Real Estate Appraiser (Licensed)
Funeral Director	Veterinarian
Optometrist	Veterinarian Technician
Real Estate Appraiser (Certified General)	

Renewal Dates Shifted from September 1 of Even-Numbered Years to September 1 of Odd-Numbered Years. Shift the renewal date for private detective agencies by one year from September 1 of each even-numbered year to September 1 of each odd-numbered year. It is estimated that over 500 credential holders would be affected by this change.

Specify that R&L must consider, as part of the 2007-09 biennial budget process, whether to reduce or increase the renewal fees for any of these affected occupational and business credentials based on the recommended changes to renewal dates.

DISCUSSION POINTS

1. Prior to the 1991-93 biennial budget there was no uniform renewal date for a professional credential issued by R&L. Under 1991 Wisconsin Act 39 specific renewal dates were established for each regulated business or profession.

2. When these dates were initially established by Act 39, a majority of the renewals were set at the beginning of either the calendar year or the state fiscal year. Of the 70 credential types for which renewal dates were established by Act 39, 26 regulated businesses or professions had a July 1 renewal date (25 in the odd-numbered year and one in the even-numbered year) and 17 regulated businesses or professions had a January 1 renewal date (10 in the odd-numbered year and seven in the even-numbered year).

3. Since 1991, as more professions have become regulated, renewal dates have been established on dates other than July 1 or January 1 in an effort to balance out agency credential renewal workload during the course of the biennial renewal cycle. Currently, of the 172,600 credential holders in 63 professions that renew in odd-numbered years, 74,500 credential holders in 25 professions renew in months other than January or July, and of the 145,000 credential holders in 34 professions that renew in even-numbered years, 120,500 credential holders in 22 professions renew in months other than January or July.

4. The Department originally requested a series of renewal date changes for several professions in an attempt to distribute workload more evenly throughout the biennial renewal cycle and to avoid heavy workload during periods before the end of a calendar year or a fiscal year. The agency's proposed approach was guided by the following priorities:

- A desire to distribute most of the current renewals that now occur in July of the odd-numbered year to March and to April of the odd-numbered year to shift a high volume of renewals out of periods when the agency is engaged in fiscal year-end bookkeeping activities.
- A desire to move all January 1 renewal dates to December 15 of the immediately preceding year in order to avoid requiring credential holders to renew during the busiest part of the holiday season, avoid potential problems with mass mailings during the holiday season, and reduce agency workload during those periods in which there is increased use of vacation.
- A desire to move the renewal of private detective agencies from September 1 of even-numbered years to September 1 of odd-numbered years to avoid having private detective agencies and private detectives renew at the same time. Currently, licensure as a private detective agency requires parallel licensure as a private detective. Having simultaneous renewal dates for both professions adds considerable complexity to this licensure cross-checking process.

5. The Department's original proposal would have affected renewal dates for the following specific professions.

Renewal Dates Shifted from July 1 of Odd-Numbered Years to April 1 of Odd-Numbered Years. Renewal dates would have been shifted three months for the following 20 credential types affecting 50,300 credential holders:

Aesthetician	Electrologist
Aesthetics Establishment	Electrology Establishment
Aesthetics Instructor	Electrology Instructor
Aesthetics School	Electrology School
Aesthetics Specialty School	Electrology Specialty School
Barbering or Cosmetology Establishment	Manicuring Establishment
Barbering or Cosmetology Instructor	Manicuring Instructor
Barbering or Cosmetology Manager	Manicuring School
Barbering or Cosmetology School	Manicuring Specialty School
Barber or Cosmetologist	Manicurist

Renewal Dates Shifted from July 1 of Odd-Numbered Years to March 1 of Odd-Numbered Years. Renewal dates would have been shifted four months for the following six credential types, affecting 15,200 credential holders:

Marriage and Family Therapist	Social Worker (Advanced Practice)
Professional Counselor	Social Worker (Independent)
Social Worker	Social Worker (Independent Clinical)

Renewal Dates Shifted from January 1 of Odd-Numbered Years to December 15 of Even-Numbered Years. Renewal dates would have been shifted two weeks for the following 11 professions or businesses, affecting 32,300 credential holders:

Auction Company	Home Inspector
Auctioneer	Real Estate Broker
Cemetery Authority	Real Estate Business Entity
Cemetery Preneed Seller	Real Estate Salesperson
Cemetery Salesperson	Timeshare Salesperson
Chiropractor	

Renewal Dates Shifted from September 1 of Even-Numbered Years to September 1 of Odd-Numbered Years. Renewal dates would have been shifted one year for private detective agencies, affecting more than 500 credential holders.

Renewal Dates Shifted from January 1 of Even-Numbered Years to December 15 of Odd-Numbered Years. Renewal dates would have been shifted two weeks for the following nine professions, affecting 32,300 credential holders: [While the agency intended to request these changes, these modifications were inadvertently omitted from the agency's original budget request.]

Accountant, Certified Public	Real Estate Appraiser (Certified Residential)
Accounting Corporation or Partnership	Real Estate Appraiser (Licensed)
Funeral Director	Veterinarian
Optometrist	Veterinarian Technician
Real Estate Appraiser (Certified General)	

6. The following table summarizes the resulting distribution of statutory renewal dates by month and number of credential holders subject to licensure in each odd-numbered year and in each even-numbered year under the Department's original proposal.

Renewal Dates by Month under the Agency's Original Proposal

<u>Odd-Numbered Year</u>			<u>Even-Numbered Year</u>		
<u>Month</u>	<u>Credential Holders</u>	<u>Credential Types</u>	<u>Month</u>	<u>Credential Holders</u>	<u>Credential Types</u>
January	0	0	January	0	0
February	500	2	February	5,400	4
March	17,900	7	March	71,300	2
April	50,300	20	April	0	0
May	16,200	1	May	0	0
June	600	1	June	8,100	4
July	300	1	July	1,500	3
August	5,800	3	August	25,300	6
September	500	1	September	7,700	4
October	11,300	7	October	2,200	1
November	37,400	10	November	0	0
December	<u>23,000</u>	<u>9</u>	December	<u>32,300</u>	<u>11</u>
Total	163,800	62	Total	153,800	35

7. The Governor's recommendations included most of the agency's original renewal date change proposals, but also included several important modifications.

- None of the proposed renewal date shifts from July 1 of the odd-numbered year to March 1 of the odd-numbered year for six professions was included. Instead all of these credential types were included among those credentials with renewal dates shifted to April 1 of the odd-numbered year. As a result, an estimated 65,500 credential holders (rather than 50,300 credential holders in the agency's proposal) would be shifted from July 1 to April 1 of the odd-numbered years. The agency has indicated that this recommendation would simply move a heavy workload period from one month to another month, rather than distribute this workload over a two-month period where there is currently minimal renewal activity. The State Budget Office has now advised that the Governor's intent was to transfer these six professions to March 1 of the odd-numbered year.

- The Governor's recommendation would extend by 11½ months from January 1 of the even-numbered year to December 15 of the even-numbered year the renewal dates for nine professions, rather than shortening the renewal period for these credentials by two weeks, as had been proposed by the Department.

- The Governor's recommendation would also shorten by two weeks from January 1 of the odd-numbered year to December 15 of the even-numbered year the renewal dates for 11 professions, as had been proposed by the Department. However, the combined effect of this recommendation and the preceding one is to establish December 15 of the even-numbered year as the renewal date for 20 credentials and 55,300 credential holders. The Governor's recommendation has the effect of moving an additional 23,000 credential holders in nine professions and businesses

to this renewal date, compared to the agency's original request. Further, under the Governor's recommendation, there would be no credential renewals at all during December of the odd-numbered year.

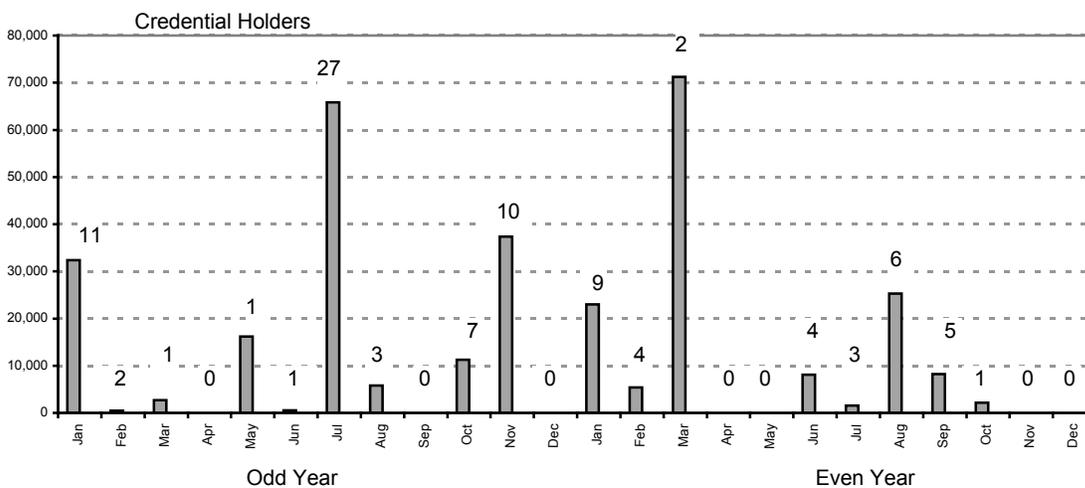
8. The following table summarizes the distribution of statutory renewal dates by month and number of credential holders subject to licensure in each odd-numbered year and in each even-numbered year under the Governor's recommendation.

Renewal Dates by Month under the Governor's Recommendation

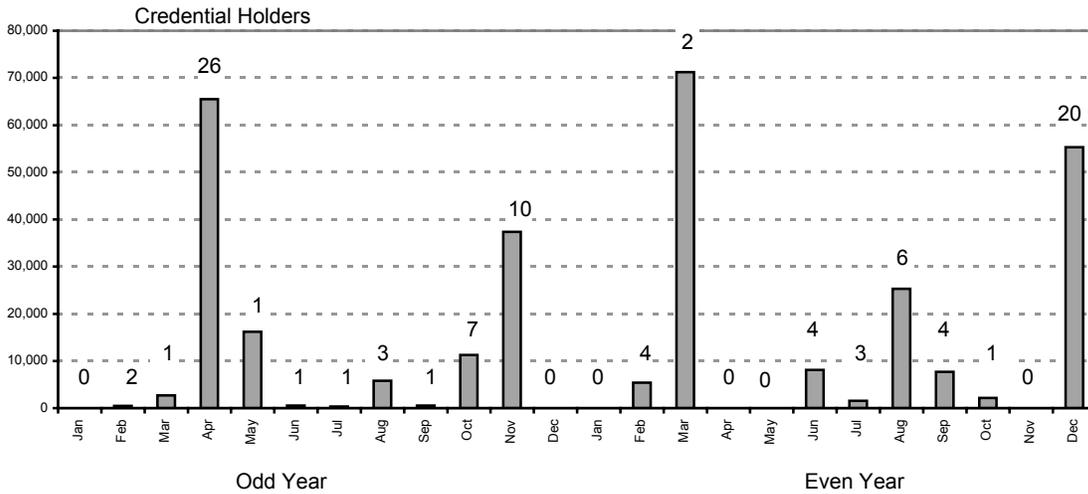
<u>Odd-Numbered Year</u>			<u>Even-Numbered Year</u>		
<u>Month</u>	<u>Credential Holders</u>	<u>Credential Types</u>	<u>Month</u>	<u>Credential Holders</u>	<u>Credential Types</u>
January	0	0	January	0	0
February	500	2	February	5,400	4
March	2,700	1	March	71,300	2
April	65,500	26	April	0	0
May	16,200	1	May	0	0
June	600	1	June	8,100	4
July	300	1	July	1,500	3
August	5,800	3	August	25,300	6
September	500	1	September	7,700	4
October	11,300	7	October	2,200	1
November	37,400	10	November	0	0
December	<u>0</u>	<u>0</u>	December	<u>55,300</u>	<u>20</u>
Total	140,800	53	Total	176,800	44

9. The following graphs depict current agency credential renewal workload during the current biennial renewal process. These graphs show the number of credential types and the number of credential holders subject to renewal in each month of the two-year renewal cycle under current law, under the agency's original proposal, and under the Governor's recommendation contained in AB 100.

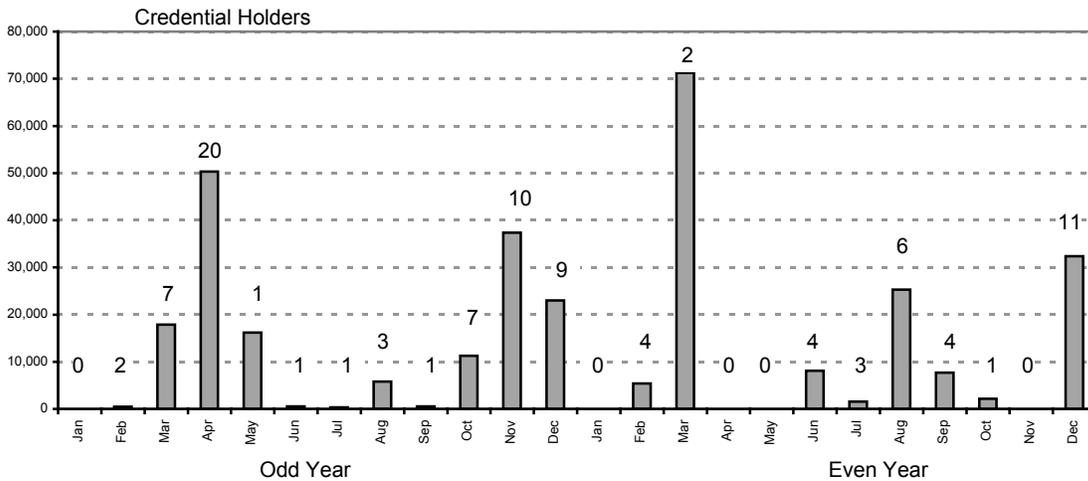
Renewal Dates under Current Law



Renewal Dates under the Governor's Recommendation



Renewal Dates under the Agency Request



10. The Governor's recommendation would create spikes in credential workload activity for the agency during the spring of the odd-numbered year and at the end of the even-numbered year. The agency's original proposal would tend to distribute this workload more evenly throughout the biennial renewal process, with peaks in renewal activity occurring at three- to four-month intervals. If the Committee believes that it would be desirable to spread the biennial renewal workload more evenly throughout the biennial license renewal period, it may wish to adopt the renewal date changes developed by the agency rather than those recommended by the Governor.

11. Adoption of either the Governor's recommended changes or the agency's proposals would result in general fund revenue and credential fee revenue shifts between fiscal years in the

2005-07 biennium that are not reflected in the bill. If either set of proposed changes is adopted, the Committee should reestimate these revenue amounts.

12. Under the Governor's recommendation, it is estimated that \$113,500 GPR-Earned and \$1,021,500 PR-REV would be shifted from the 2005-06 fiscal year to the 2006-07.

13. Under the agency's proposal, it is estimated that \$3,000 GPR-Earned and \$27,000 PR-REV would be shifted from the 2006-07 fiscal year to the 2005-06 fiscal year.

ALTERNATIVES

1. Approve the Governor's recommendation to modify the statutory renewal dates for biennial occupational credentials for 47 professions and types of businesses licensed by the Department. Reestimate agency GPR-Earned by -\$113,500 in 2005-06 and \$113,500 in 2006-07 and PR-REV from credential fees by -\$1,021,500 in 2005-06 and \$1,021,500 in 2006-07. [Revenues would be shifted between fiscal years. There is no net fiscal effect.]

2. Modify the Governor's recommendation by specifying the following changes: (a) move the credential renewal date for marriage and family therapists, professional counselors, social workers, advanced practice social workers, independent social workers, and independent clinical social workers from July 1 to March 1 of odd-numbered years; and (b) move the credential renewal dates for certified public accountants, accountant corporations and partnerships, funeral directors, optometrists, certified real estate appraisers, certified residential real estate appraisers, licensed real estate appraisers, veterinarians, and veterinarian technicians from January 1 of even numbered years to December 15 of odd numbered years. Reestimate agency GPR-Earned by \$3,000 in 2005-06 and -\$3,000 in 2006-07 and PR-REV from credential fees by \$27,000 in 2005-06 and -\$27,000 in 2006-07. [Revenues would be shifted between fiscal years. There is no net fiscal effect.]

3. Delete the Governor's recommendation.

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