



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #550

Professional Licensing and Regulation Staff (Safety and Professional Services)

[LFB 2021-23 Budget Summary: Page 520, #2]

CURRENT LAW

The Department of Safety and Professional Services (DSPS) and its boards, councils and affiliated credentialing boards and examining boards are responsible for ensuring the safe and competent practice of a wide range of health, business, and building trades professions. Base funding for DSPS is \$57.9 million, almost all of which is funded from program revenues DSPS collects as fees for credentials, examinations, building plan reviews, and safety inspections. The agency is currently authorized 239.44 PR positions and 1.70 FED positions.

DSPS is divided into two programs: (a) professional regulation and administrative services, which includes staff that assist in the regulation of the health and business professions; and (b) regulation of industry, safety, and buildings. The two programs are supported by separate program revenue sources. Fees collected from health and business professions support regulatory functions related to those professions, while fees involved in buildings and safety support DSPS activities related to the regulation of the building trades. A portion of departmental program revenue supports certain agency-wide services, including legal, fiscal, and management services.

Staff are organized into five divisions and the Office of the Secretary, which has 7.00 positions. The largest division, the Division of Industry Services (DIS), has 97.89 positions, most of which provide either technical expertise related to specific building and safety regulations or field services such as inspections and plan reviews. DIS also includes 13.89 positions providing administrative services, such as records management. The next largest division, Professional Credential Processing (DPCP), has 51.00 positions responsible for all licensure, renewal, and verification for the health, business, and trades credentials issued by the Department. These duties include operating a customer service center with 4.00 dedicated positions. The remaining three divisions provide legal services and compliance (40.00 positions), policy development (26.00

positions, including 3.00 dedicated to operating the prescription drug monitoring program (PDMP)), and management services such as budget, finance, and information technology (19.25 positions).

DISCUSSION POINTS

Division of Professional Credential Processing

1. Assembly Bill 68 and Senate Bill 111 would provide \$907,900 PR in 2021-22 and \$1,178,100 PR in 2022-23, and 14.0 PR permanent positions, beginning in 2021-22, and 2.0 PR two-year project positions beginning October 1, 2021, to increase staffing for DSPPS. The attachment shows the division, position title, and associated funding for each. The 2.0 project positions and 8.0 of the permanent positions would be provided to support DPCP, with corresponding funding of \$537,100 PR in 2021-22 and \$689,200 PR in 2022-23 (Alternative A1).

2. Four of these positions -- the 2.0 license and permit program associates (LPPAs) provided on a project basis and 2.0 of the paralegals -- would work to process health credentials, such as physicians and registered nurses. The Department indicates that it receives an annual surge in applications for these credentials in May through August, corresponding with college graduations. During this time, DSPPS estimates that workload exceeds the health team's normal staff capacity by 45%, or approximately the equivalent of 5.5 full-time positions. DSPPS indicates that the additional paralegals would improve capacity to handle the more complex credential types, such as physicians. The LPPAs would increase the agency's capacity to receive and process applications and other required documents, process national and state examination scores, review applications, and respond to questions and concerns from applicants. DSPPS also indicates that improving processing time would increase efficiency for the team as a whole by reducing the number of calls from applicants inquiring as to the status of their application.

3. The third recommended paralegal would prepare and summarize case files for attorney review, respond to customer and staff questions, and provide support to the legal team. Currently 1.0 position fulfills this role, but DSPPS indicates that this capacity does not meet the workload. The legal team currently has an approximately two-week backlog of case files that need preparation. DSPPS indicates that an additional staff member to meet this demand would aid in their goal of reducing case turnaround time from the current 10 weeks to under six weeks.

4. In addition, 4.0 new positions would work in the DSPPS customer service call center, which receives an average of 3,600 calls per week. Depending on call volume and other factors, DSPPS indicates that the current percentage of calls answered -- a measure of the staff's capacity to meet demand -- ranges from 48% to 80%. DSPPS also indicates that, when funding is available, the agency has used limited-term employees to improve this percentage to 80% to 92%, suggesting that additional permanent positions could improve the quality of customer service.

5. AB 68/SB 111 would provide 1.0 LPPA to work on private security credentials. Currently, a two-person team processes applications and renewals for the workforce of approximately 5,400 private security persons in the state, as well as several smaller professions. One of these positions is a project position that will terminate on June 30, 2022; the new permanent position in the

bill would maintain the two-person team. DSPS indicates that the current team is able to provide efficient review, with typical turnaround in one to three days for typical applications and seven days when additional documentation is required.

6. Rather than providing all 10.0 of the positions that would be provided for DPCP in AB 68/SB 111, the Committee could provide funding for specific positions to perform the activities described above, which are listed in the attachment, or provide a reduced level of funding, which would enable DSPS to determine the highest-priority positions to create; Alternative A2 would provide funding and position authority for half of the positions that would be provided in AB 68/SB 111.

7. All of the positions that would be provided in AB 68/SB 111 would be funded by program revenue, meaning that, under Wis. Stats. 16.505 and 16.515, the administration could request, and the Committee could approve, more positions than are initially provided in the budget. This applies to all positions described in this paper.

Division of Industry Services

8. AB 68/SB 111 would provide 2.0 positions in DIS to improve building plan review functions, with corresponding funding of \$136,300 in 2021-22 and \$181,600 in 2022-23. One of these positions is an operations program associate (OPA), who would work to improve efficiency in building plan review. This role includes working with customers to help them submit clear and complete plans, entering plans, identifying missing information before plans are sent to reviewers, and responding to customer inquiries. Recently, upgrades to the new Electronic Safety and Licensing Application have created an increase in customer questions regarding accessing and using the new system. DSPS indicates that providing assistance with these concerns has occupied a large portion of current OPA staff time.

9. The other position would conduct plan reviews of fire alarm and fire suppression systems. DSPS indicates that recent changes in insurance company practices and state building codes have led the number of buildings built with fire alarm and suppression systems to more than double, exceeding the capacity of the current 4.0 reviewers by approximately the equivalent of 1.0 full-time reviewer. The seasonal surge of building plans submitted from April through September creates additional difficulty in performing timely reviews of all submitted plans.

10. DSPS indicates that maintaining the staff capacity to conduct plan reviews in a timely and reliable manner provides significant benefits for the construction industry, whereas delays in a project can slow developments and incur additional expenses for the subsequent stages of the project. The Committee could consider one or both of the operations program associate (Alternative B1) and the fire suppression systems specialist (Alternative B2).

Division of Legal Services and Compliance

11. AB 68/SB 111 would provide 2.0 additional staff to serve as Consumer Protection Investigators (CPIs) in the Division of Legal Services and Compliance (DLSC), with corresponding funding of \$97,900 in 2021-22 and \$125,200 in 2022-23 (Alternative C1).

12. DLSC monitors compliance with professional and business standards, receives complaints filed by the public, and provides legal expertise to DSPS and the affiliated boards for the investigation and discipline of credential holders. CPIs specifically fulfill the investigative role, gathering evidence to determine whether a credentialed professional or organization has violated professional standards. This evidence is then passed to other staff in DLSC to prosecute disciplinary cases as needed.

13. DSPS indicates that, over the past several years, resolution of cases has been delayed by a lack of investigation resources. Each CPI currently investigates an average of 200 cases per year, but the Department indicates that reducing this caseload to 140–150 per year would allow CPIs to complete their work in a more timely manner, concluding investigations within nine months and allowing prosecutors to resolve cases within 18 months total. Currently, approximately 85% to 90% of cases are resolved within 18 months.

14. The proposed new CPIs would focus on medical professionals and health boards, where the volume of complaints and cases requiring investigation have been increasing in recent years, including in connection with the opioid epidemic.

15. Alternative C2 provides 1.0 new CPI position, and associated funding.

Division of Policy Development -- PDMP

16. Finally, AB 68/SB 111 would provide \$136,600 in 2021-22 and \$182,100 in 2022-23, and 2.0 positions for the team that administers the prescription drug monitoring program (Alternative D1).

17. The PDMP, designed to reduce prescription drug abuse, tracks prescriptions for opioids and other monitored drugs. It allows prescribers to use their patient's prescription history to make informed prescribing decisions, requires pharmacists to check for unusual records before dispensing monitored drugs, and provides data to law enforcement. The system serves 60,000 professionals, and receives approximately 1.8 million record requests per month.

18. The additional staff would increase capacity for quality assurance, outreach to other organizations, system improvements and maintenance, and training in system use.

19. Alternative D2 provides 1.0 new position for the PDMP program, and associated funding.

20. Each of the positions discussed above offers potential benefits, but require funding supported by credential fees. As required by statute, the fees DSPS collects are intended to match the estimated costs incurred by DSPS to administer, verify, and enforce each type of credential or safety regulation. Most fees for health and business professions also account for a 10% statutory transfer to the general fund as GPR-REV. Despite these requirements, a considerable surplus has accumulated in the PR appropriations as revenues have exceeded authorized expenditures during the past several years. At the beginning of fiscal year 2017-18 the combined opening balance of the health and business and the building trades appropriations was \$25.5 million, approximately equivalent to a full year of expenditures. The combined balance grew to \$38.8 million at the end of FY 2017-18, \$44.6

million at the end of FY 2018-19, and \$44.8 million at the end of FY 2019-20. In order to reduce this balance of uncommitted revenue, the Department proposed, and the Joint Committee on Finance approved, reductions to many credential fees in January, 2019, and again in January, 2021. Notwithstanding these recent fee reductions, there are adequate program revenue balances to support all of costs of the positions included in AB 68/SB 111.

ALTERNATIVES

A. Division of Professional Credential Processing

1. Provide \$537,100 in 2021-22 and \$689,200 in 2022-23, and 8.0 permanent positions beginning in 2021-22 and 2.0 two-year project positions beginning October 1, 2021, and ending September 30, 2023, to improve professional credential processing functions.

ALT A1	Change to Base	
	Funding	Positions
PR	\$1,226,300	10.00

2. Provide \$284,000 in 2021-22 and \$365,200 in 2022-23, and 4.0 permanent positions beginning in 2021-22 and 1.0 two-year project positions beginning October 1, 2021, and ending September 30, 2023, to improve professional credential processing functions.

ALT A2	Change to Base	
	Funding	Positions
PR	\$649,200	5.00

3. Take no action.

B. Division of Industry Services

1. Provide \$42,600 in 2021-22 and \$56,700 in 2022-23 for a 1.0 operations program associate position.

ALT B1	Change to Base	
	Funding	Positions
PR	\$99,300	1.00

2. Provide \$93,700 in 2021-22 and \$124,900 in 2022-23 for a 1.0 fire suppression systems specialist.

ALT B2	Change to Base	
	Funding	Positions
PR	\$218,600	1.00

3. Take no action.

C. Division of Legal Services and Compliance

1. Provide \$97,900 in 2021-22 and \$125,200 in 2022-23 and 2.0 PR positions, beginning in 2021-22, for Consumer Protection Investigators in DLSC.

ALT C1	Change to Base	
	Funding	Positions
PR	\$223,100	2.00

2. Provide \$49,000 in 2021-22 and \$62,600 in 2022-23 and 1.0 PR position, beginning in 2021-22, for Consumer Protection Investigators in DLSC.

ALT C2	Change to Base	
	Funding	Positions
PR	\$111,600	1.00

3. Take no action.

D. Division of Policy Development -- PDMP

1. Provide \$136,600 in 2021-22 and \$182,100 in 2022-23, and 2.0 positions, beginning in 2021-22, to improve and maintain the prescription drug monitoring program.

ALT D1	Change to Base	
	Funding	Positions
PR	\$318,700	2.00

2. Provide \$68,300 in 2021-22 and \$91,100 in 2022-23, and 1.0 position, beginning in 2021-22, to improve and maintain the prescription drug monitoring program.

ALT D2	Change to Base	
	Funding	Positions
PR	\$159,400	1.00

3. Take no action.

Prepared by: Carl Plant and Moriah Hayes
Attachment

ATTACHMENT

Licensing and Regulation Staff Assembly Bill 68/Senate Bill 111

<u>Division and Subunit</u>	<u>Positions</u>	<u>FTE Positions</u>	<u>Funding</u>	
			<u>2021-22</u>	<u>2022-23</u>
Professional Credential Processing				
Call Center	Program Operation Associates	4.00	\$178,000	\$226,600
Health	Paralegals	2.00	150,600	195,400
Health	License and Permit Program Associates -- Project Positions	2.00	88,900	113,200
Legal	Paralegal	1.00	75,300	97,600
Business, Trades and Manufactured Homes	License and Permit Program Associate	<u>1.00</u>	<u>44,300</u>	<u>56,400</u>
Subtotal		10.00	\$537,100	\$689,200
Industry Services				
Administrative Services	Operations Program Associate	1.00	\$42,600	\$56,700
Technical Services	Fire Suppression Systems Consultant	<u>1.00</u>	<u>93,700</u>	<u>124,900</u>
Subtotal		2.00	\$136,300	\$181,600
Legal Services and Compliance				
Health	Consumer Protection Investigators	2.00	\$97,900	\$125,200
Division of Policy Development				
Prescription Drug Monitoring Program	Program Managers	<u>2.00</u>	<u>\$136,600</u>	<u>\$182,100</u>
Total		16.00	\$907,900	\$1,178,100