



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>

June, 2021

Joint Committee on Finance

Paper #552

Information Technology Projects (Safety and Professional Services)

[LFB 2021-23 Budget Summary: Page 522, #4 and #5]

CURRENT LAW

The Department of Safety and Professional Services (DPS) regulates health, business, building, and trades professions. DPS is funded almost entirely from program revenues (PR), primarily collected from fees for credentials, examinations, building plan reviews, and inspections of construction activity. For state budgetary purposes, program revenues received from the regulation of health and non-building professions are tracked separately from the fees collected from the building trades professions, credentialing, building inspection, and plan review activities.

Over the last two biennia, the Department has initiated a modernization project for its licensing and credentialing systems. Phase One of the Electronic Safety and Licensing Application (eSLA) project, for which \$4.4 million PR was approved by the Joint Committee on Finance in April, 2018, included development of a replacement for the "regulated objects" system, a 20-year old software application used for commercial building inspection permits, plan reviews, and credentialing by the Division of Industry Services. 2019 Wisconsin Act 9 (the 2021-23 biennial budget act) provided \$2,995,000 PR in 2019-20 and \$2,030,000 PR in 2020-21 in one-time funding to support costs of implementing Phase Two of the project, which replaced trades credentialing capabilities that were not completed in Phase One, including such functions as issuing new licenses and renewing existing licenses.

DISCUSSION POINTS

Electronic Safety and Licensing Application

1. Assembly Bill 68/Senate Bill 111 would provide \$3,000,000 PR in 2021-22 and

\$2,000,000 PR in 2022-23 to fund costs of the third phase of the eSLA project. DSPS anticipates that Phase Three of the project will include the migration of all business and medical profession credentials from the Integrated Credentialing and Enforcement (ICE) platform, the agency’s final legacy system, into the eSLA system. Funding would include: (a) \$1,300,000 in 2021-22 and \$300,000 in 2022-23 in one-time funding; and (b) \$1,700,000 in both 2021-22 and 2022-23 in ongoing funding for the costs associated with the licenses and customer portal of the completed applications.

2. The bill as introduced would budget all costs to the DSPS safety and buildings general operations appropriation [s. 20.165 (2)(j) of the statutes]. In an April 23, 2021, errata letter, the administration indicated that the costs under the bill should be allocated to the PR appropriations shown in Table 1 to reflect the system upgrades being made to credentialing and regulation for business and health professions. DSPS reports funding is allocated to appropriations based on the percentage of credentials to be integrated into eSLA. Under this change, no funding would be appropriated from the safety and buildings operations appropriation.

TABLE 1

eSLA Phase Three Funding Reallocation

<u>Appropriation</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Biennium</u>
Medical Examining Board Operations [s. 20.165 (1)(hg)]	\$1,740,000	\$1,160,000	\$2,900,000
Professional Regulation Operations [s. 20.165 (1)(g)]	<u>1,260,000</u>	<u>840,000</u>	<u>2,100,000</u>
Total	\$3,000,000	\$2,000,000	\$5,000,000

3. DSPS indicates that Phase Three of the eSLA project will include: (a) determining divisional programs to be incorporated into the system; (b) assessing divisions' application, review, and credentialing processes associated with these programs; (c) determining functions to be created for the eSLA; (d) determining the scope of work; (e) creating a timeline for completion; (f) determining fees and expenses; and (g) completing the transfer of functions from the existing ICE system. The Department indicates that the funding in AB 68/SB 111 would support the migration of credentials, renewals and purchases of required licenses for eSLA, and maintenance of the customer portal. Phase Three will begin at the conclusion of Phase Two, which is expected to be completed in late 2022.

4. Phases One and Two of the eSLA project were intended to improve user experiences and revenue collection. Prior to deployment, applicants interacted with several different means of submitting materials or payments. The eSLA system is designed to provide a single customer portal for credentialing, building plan submissions, inspections, and online payments. Also prior to deployment of Phases One and Two, certain application processes required customers to send paper checks, which increased processing time and potential for errors. DSPS reports having processed more online electronic credit card and debit payments from the updated eSLA system.

5. The \$5,000,000 in one-time funding for the 2021-23 biennium reflects the Department's

current estimate of the costs of implementing Phase Three of the project and purchasing product licenses, based on discussions with developers and staff. However, the Department at this time does not have detailed cost estimates for various components of Phase Three. DSPS staff indicate that the final cost estimate would depend on a statement of work, which is expected to be available just prior to the start of Phase III, in late 2022. DSPS reports that in 2019-20, it spent \$2,122,900 on licenses and customer portal maintenance. DSPS estimates needing \$1,700,000 in ongoing funds for these functions in future years. This amount is reflected in the ongoing funding under AB 68/SB 111.

6. DSPS indicates that if less than \$5 million were budgeted for the project for the 2021-23 biennium, DSPS would not proceed with entering into contracts with vendors to complete Phase Three, and the Department would continue to use its ICE system for health and business professions. The Department indicates that ICE is an outmoded platform that does not meet its current business needs. DSPS also indicates that efficiency would not improve due to the use of disjointed systems.

7. In general, continued improvements in capabilities of state information technology (IT) systems benefit agency operations. Further, although large IT projects may occur in phases, it is typically viewed as undesirable to partially complete IT upgrades in a manner that would leave older systems in place alongside newer systems. This is particularly the case if older systems would have limited compatibility with newer systems. Older software may eventually be unsupported by its original vendor, and the use of outdated systems can also be difficult to maintain as state agency staff who are adept at running older systems leave state service. The Committee could, therefore, consider approving \$5,000,000 as allocated in Table 1 for the eSLA Phase Three [Alternative A1].

8. The previous two authorizations for eSLA Phases One and Two provided all funding on a one-time basis in each biennium. The Committee could consider providing funding for the 2021-23 biennium on a one-time basis [Alternative A2]. DSPS could seek additional funding in future biennia for ongoing licensing and customer portal costs as the amount of those costs is clearer.

9. The Committee also could take no action [Alternative A3]. Funding for Phase One of the eSLA project was approved by the Committee in April, 2018, by a passive review under s. 16.515 of the statutes. The Department could again request funding by a passive review in the 2021-23 biennium as the statement of work is completed and additional costs are known in more detail.

Other One-time and Ongoing IT Projects

10. AB 68/SB 111 would provide \$309,000 PR annually to fund several other ongoing and one-time information technology (IT) projects. In its April 23, 2021, errata letter, the administration requested that funding for these purposes be increased by \$194,000 PR in 2021-22 and \$144,000 PR in 2022-23 in addition to the funding increases in the bill so that \$503,900 PR in 2021-22 and \$453,900 PR in 2022-23 would be provided in total to fund these projects. Table 2 shows the administration's current estimates of the cost of each proposed project.

TABLE 2

IT Enhancement Project Costs

<u>Project</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Ongoing</u>
Document Management System	\$180,000	\$180,000	\$180,000
Computer Replacement and Upgrade	40,800	40,800	40,800
State Email addresses for Board Members	40,600	40,600	40,600
Services from Gartner Consulting	32,000	32,000	32,000
Call Center Software Replacement	<u>210,500</u>	<u>160,500</u>	<u>144,000</u>
Total	\$503,900	\$453,900	\$437,400

11. The document management system project would improve and maintain systems for receiving, storing, and handling primary documents needed for DSPS to verify information contained in applications, including documents received directly from schools, medical facilities, and government agencies. DSPS indicates that the proposed improvements would increase efficiency of sorting and processing these documents, tasks which currently account for 15% to 20% of the time it takes to process a license application.

12. The computer replacement and upgrade project would provide funding for DSPS to replace 50 laptop and desktop computers each year. DSPS indicates that 45% of staff use computers running the Windows 7 operating system, for which Microsoft discontinued support in January, 2020.

13. The project to provide state email addresses for board members involves systems changes and maintenance to provide state email addresses to the members of the 27 independent examining and professional boards affiliated with DSPS. Separate email accounts would facilitate board members' compliance with public records laws and other state requirements, without subjecting board members' private communications to these requirements.

14. The funding for services from Gartner Consulting would provide DSPS guidance in developing and implementing information technology projects, to improve project efficiency and resolve challenges that arise. These services would be procured under an existing contract between Gartner Consulting and the Department of Administration's Division of Enterprise Technology (DET).

15. The call center software replacement project would provide one-time funding reflecting DSPS's share of a project overseen by DET to replace the current call center software used by several state agencies, Contact Center Anywhere. DSPS indicates that the Contact Center Anywhere system is no longer able to handle the large call volumes received during the peak license renewal and application times, and that the vendor and DET will no longer support it.

16. In fiscal year 2019-20, DSPS expended approximately \$1,390,000 for information technology maintenance and improvements from the general operations appropriations for the health and business professions. DSPS expects most of these costs to continue at the same level in the 2021-23 biennium. The largest expenses include costs for shared services overseen by DET, software licensing, equipment purchasing, and maintenance and support costs for the Department's websites and online portals administered by NIC Wisconsin.

17. Alternative B1 would provide full funding for all of the projects listed in the table. Alternatively, the Committee could provide funding for one or more of these projects, or provide a reduced amount of funding, which would require DSPS to fund only the highest-priority projects. Alternative B2 would provide approximately half of the ongoing funding requested, while maintaining the one-time funding requested for the call center software replacement.

ALTERNATIVES

A. eSLA Modernization Phase Three

1. Provide \$3,000,000 in 2021-22 and \$2,000,000 in 2022-23 to fund phase three of DSPS' ongoing modernization of the Electronic Safety and Licensing Application (eSLA) in the 2021-23 biennium. (Funding would consist of: (a) in 2021-22, \$1,740,000 in 2021-22 from the Medical Examining Board operations appropriation and \$1,260,000 PR from professional regulation operations; and (b) in 2022-23, \$1,160,000 from Medical Examining Board operations and \$840,000 from professional regulation operations.)

ALT A1	Change to Base
PR	\$5,000,000

2. Provide amounts as described in Alternative 1, but specify funding is on a one-time basis in the 2021-23 biennium.

3. Take no action.

B. Other IT Projects

1. Provide \$503,900 PR in 2021-22 and \$453,900 PR in 2022-23 (including \$437,400 in ongoing funding), for other information technology projects.

ALT B1	Change to Base
PR	\$957,800

2. Provide \$266,500 in 2021-22 and \$216,500 in 2022-23 (including \$200,000 in ongoing funding), for information technology projects.

ALT B2	Change to Base
PR	\$483,000

3. Take no action.

Prepared by: Moriah Hayes and Carl Plant