



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #685

License Processing Staff (Safety and Professional Services -- Regulation of Professions)

[LFB 2023-25 Budget Summary: Page 554, #1]

CURRENT LAW

The Department of Safety and Professional Services (DSPS) develops license applications and processes license requests for individuals in the health, business, and building trades professions. The Department's Division of Professional Credential Processing (DPCP) administers the biennial renewal process for approximately 439,100 active credential holders in the health and business professions, and approximately 82,600 active credential holders in the building trades professions.

Most new applicants will contact this Division to obtain information on how to apply for a credential and to request the appropriate application materials. Applications can be as simple as completion of the appropriate form, submission of supporting documents, and payment of the initial credential fee. More complex licensing may require college transcripts, proof of graduation, internships, residencies, supervised practicum review, criminal background checks, confirmation from national associations, information regarding disclosure of previous disciplinary actions, employment verification, proof of insurance, or verification of holding a valid license in another state. DSPS, or the appropriate occupational board, is to process health and business credentials within 60 days, under Chapter SPS 4 of the administrative code, and Chapter SPS 305 of the administrative code requires DSPS to process and issue trades credentials within 21 days.

As of May 1, 2023, DSPS has assigned 63.0 positions to its Division of Professional Credential Processing. This includes 42.0 license/permit program associates of various classes, 7.0 office operations associates, 4.0 attorneys, 3.0 paralegals, 2.0 program and policy analysts, 4.0 records management supervisors, and 1.0 division administrator. State personnel records indicate DSPS also has six limited-term employees (LTEs) assigned to health credential processing in DPCP.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would provide ongoing funding of \$968,700 in 2023-24 and \$1,246,900 in 2024-25 with 16.0 permanent positions to process license applications in DPCP. Table 1 shows the types of positions that would be provided and the funding that would be budgeted to support these positions in 2023-24 and 2024-25.

TABLE 1

License Processing Staff -- Assembly Bill 43/Senate Bill 70

<u>Position Title/Category</u>	<u>Positions</u>	<u>Funding</u>	
		<u>2023-24</u>	<u>2024-25</u>
License/Permit Program Associate -- Health	8.00	\$364,100	\$485,300
License/Permit Program Associate -- Business and Trades	6.00	273,000	364,000
Records Management Supervisor -- Health	1.00	55,200	73,600
Paralegal	<u>1.00</u>	<u>43,300</u>	<u>57,700</u>
Subtotal	16.00	\$735,600	\$980,600
Supplies and Services		\$233,100	\$266,300
Total	16.00	\$968,700	\$1,246,900

2. In March 30, 2023, testimony to the Joint Committee on Finance, the DSPS Secretary-Designee stated average completion time for credential processing was 38 days. However, DSPS reports that over the last several years, increases in licensure applications and renewal requests have outpaced DPCP staffing capacity and capabilities, leading to a backlog of certain licenses. DSPS states that health professions constitute approximately two-thirds of total work volume in DPCP. Further, DSPS indicates that certain health professions, including those under the Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board, have generally more complex educational and experience requirements than other types of applications. DSPS reports staff have observed processing these applications in a timely fashion can be challenging for staff with less experience. The Department reports this then requires greater involvement of supervisory staff on complex applications, which tends to create bottlenecks in processing unique or complex applications. The Department argues that this is part of the rationale for the allocation of the positions between the health and business professions.

3. Several long-term measures have been initiated to address licensing issues at the Department. Over several previous biennia, the Legislature has appropriated funding for information technology to improve agency licensing functions. DSPS reports that as of May 8, the agency's primary credential application system, known as LicenseE, had incorporated all business and health occupations, meaning that all occupational licenses have been, or soon will be, electronically processed. (Additional information technology initiatives are discussed in Papers #681 and #682.) Additionally, the DSPS Secretary-Designee indicated in testimony to the Committee that certain

internal changes have tended to improve review processes, including assigning a single application reviewer to an application. State personnel records indicate DSPPS has realigned positions within current authorizations and those provided legislatively into DPCP in the last three years in which information is available. Records show DPCP increased from 47.0 positions in January, 2020, to its current level of 63.0 positions.

4. DSPPS indicates that the Department utilized current workload to determine the number of new positions recommended. Specifically, the Department intends for current project positions and LTEs to be converted into the permanent positions under the bill. (Project positions are discussed further in a subsequent point.)

5. Table 2 shows the overall number of DSPPS authorized positions by fiscal year and fund source since 2015-16. Figures for 2024-25 reflect the number of permanent positions authorized for DSPPS under current law, which represents the agency's available staffing absent further legislative action or additions of federally-funded (FED) positions. Total DSPPS state-funded positions have fluctuated since 2015-16 between 232.94 and 246.44 positions. However, as DSPPS currently is authorized 16.0 project positions, the agency's authorized positions would continue to decline as project positions expire in the 2023-25 biennium.

TABLE 2

Department of Safety and Professional Services Total Positions by Fund, 2015-16 to 2024-25

<u>Fiscal Year</u>	<u>PR</u>	<u>FED</u>	<u>Total</u>
2015-16	245.44	1.70	247.14
2016-17	245.44	1.70	247.14
2017-18	232.94	1.70	234.64
2018-19	238.44	1.70	240.14
2019-20	244.44	1.70	246.14
2020-21	239.44	1.70	241.14
2021-22	246.44	1.70	248.14
2022-23	242.44	13.70	256.14
2023-24*	238.44	13.70	252.14
2024-25*	238.44	1.70	240.14

*Committee action as of June 1, 2023.

6. The increases and subsequent declines in authorized positions shown in Table 2 since 2020-21 are due mostly to the provision and expiration of project positions. The most significant increase occurred in February, 2022, when the Governor authorized 12.0 FED positions using funds under the American Rescue Plan Act. The positions have been extended through June 30, 2024. A total of 4.0 PR project positions expire by September 30, 2023, including 2.0 license/permit program associate positions created under 2021 Act 58 and currently budgeted for processing health professions credentials in DPCP.

7. Table 3 shows the license/permit program associate positions approved by the Committee since October of 2018. Beginning with a passive review under ss. 16.505/.515 of the statutes at that time, the Committee has approved 6.0 project and 1.0 permanent license/permit program associates, which would be the most prominent position category created under this provision.

TABLE 3

License/Permit Program Associate Position Approvals, 2018 to 2021

<u>Action</u>	<u>Positions</u>		<u>Expiration Date</u>
	<u>Type</u>	<u>Number</u>	
Passive Review (s. 16.505) -- October, 2018	Project	4.0 (3.0 business/health; 1.0 trades)	June 30, 2022
2021 Act 58	Permanent	1.0 (trades)	--
2021 Act 58	Project	2.0 (health)	September 30, 2023
Total Authorized	Permanent	1.0	
	Project	6.0	

8. DSPS reports that while project positions have assisted program operations in identifiable ways, the positions have been difficult to recruit due to their impermanence. Additionally, incumbents may leave positions with an impending expiration date, and an agency may choose not to fill a vacant position if the end date for the position would make recruitment and hiring for the position impractical. This can make the period a project position is filled considerably shorter than the position's authorization period. However, DSPS has had recent success in retaining and filling these positions. Table 4 shows the vacancies from license permit program associate project positions since 2022 when the FED project positions were approved. As of May 27, 2023, 2.0 of the 11.0 project positions were vacant, which is the lowest vacancy rate during the period shown.

TABLE 4

License/Permit Program Associate Vacancies, 2022 to Present by Quarter

<u>Calendar Quarter (Beginning)</u>	<u>Project Positions Authorized*</u>	<u>Project Positions Vacant</u>	<u>Vacancy Rate</u>
2022, Q1	6.00	2.00	33%
2022, Q2	15.00	11.00	73
2022, Q3	11.00	7.00	64
2022, Q4	11.00	6.00	55
2023, Q1	11.00	4.00	36
2023, Q2	11.00	4.00	36
May 27, 2023	11.00	2.00	18

*Quarterly decreases in authorized positions reflect expiration of the positions.

9. DSPS indicates initial and renewal credential processing has increased in recent biennia, from approximately 57,000 initial applications and 363,600 renewals in the 2013-15 biennium to 439,100 active health credentials as of April 30, 2023, and 82,600 trades credentials. Although multiple factors may influence long-term credentialing trends, it is reasonable to assume these figures would at least approximate current totals in coming biennia.

10. It may be that additional permanent license/permit program associate positions would help DSPS reduce delays associated with complex applications for certain professions. DSPS staff indicate that more certainty in tenure of license/permit program associates, which would be afforded by permanent position authority, would increase incumbents' expertise with procedures and complications in applications that currently tend to lengthen the resolution of long-term applications. The Committee could consider providing 14.0 license/permit program associates [Alternative 1a].

11. The Committee could also consider providing a smaller number of positions for license/permit program associates. Table 5 shows the alternatives for approving: (a) 9.0 positions, which equals the number of PR and FED license/permit program associate project positions currently filled out of 11.0, and would effectively make the positions permanent [Alternative 1b]; (b) 6.0 positions, equal to the PR (state-funded) positions approved by the Committee since 2018, but that have expired or will expire by September 30, 2023 [Alternative 1c]; (c) 4.0 positions, equal to the number of license/permit program associates approved in October, 2018, and expired June 30, 2022 [Alternative 1d]; or (d) 2.0 positions, effectively making permanent the 2.0 project positions scheduled to expire September 30, 2023 [Alternative 1e].

TABLE 5

License/Permit Program Associate Positions -- Alternatives

	<u>Positions</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Biennium</u>
Alt. 1a	14.0	\$839,000	\$1,079,900	\$1,918,900
Alt. 1b	9.0	539,100	693,900	1,233,000
Alt. 1c	6.0	359,400	462,600	822,000
Alt. 1d	4.0	239,600	308,400	548,000
Alt. 1e	2.0	119,800	154,200	274,000

12. In addition to the 8.0 health-related license/permit program associates under the bill, the Department would be provided a second supervisor position for health credential processing. As discussed in a separate paragraph, complex applications that require supervisory intervention or consultation tend to become delayed as a result. DSPS indicates that the volume of escalated cases that require action beyond the ability of license/permit program associates has increased and is greater than one supervisor can manage. The Committee could consider providing 1.0 records management supervisor [Alternative 3a].

13. Additionally, DSPS indicates that a 1.0 current paralegal works across all license types and that the additional 1.0 paralegal under the bill would increase capability for case preparation and

management for legal review. The Department cautions that an inadequate level of paralegal support can lead to delays in the review and licensing process. Currently, 2.0 FED project paralegals are authorized through June 30, 2024. The Committee could consider providing 1.0 permanent paralegal [Alternative 2a].

14. The Committee could also consider providing any positions in the preceding alternatives as four-year project positions [Alternative 4]. The Department indicates project positions have been adept at addressing short-term issues, such as expediting the processing of less complex credentials. Further, the current rate of filled positions suggests project positions with a sufficient tenure could be filled and deployed to address continuing issues, such as the backlog in complex credentials. Additional permanent positions could be evaluated for future biennia after reviewing program changes under these authorizations.

15. The Committee could also take no action [Alternatives 1f, 2b and 3b]. The Department has extended 12.0 FED project positions through June 30, 2024, and additional positions could be requested under s. 16.505/.515 in the future.

ALTERNATIVES

License/Permit Program Associates

1. Provide one of the following amounts of funding and positions for license/permit program associates for review and processing of credential applications in the Division of Professional Credential Processing (DPCP):

- a. 14.0 positions and \$839,000 in 2023-24 and \$1,079,900 in 2024-25;

ALT 1a	Change to Base	
	Funding	Positions
PR	\$1,918,900	14.00

- b. 9.0 positions and \$539,100 in 2023-24 and \$693,900 in 2024-25;

ALT 1b	Change to Base	
	Funding	Positions
PR	\$1,233,000	9.00

- c. 6.0 positions and \$359,400 in 2023-24 and \$462,600 in 2024-25;

ALT 1c	Change to Base	
	Funding	Positions
PR	\$822,000	6.00

- d. 4.0 positions and \$239,600 in 2023-24 and \$308,400 in 2024-25; or

ALT 1d	Change to Base	
	Funding	Positions
PR	\$548,000	4.00

- e. 2.0 positions and \$119,800 in 2023-24 and \$154,200 in 2024-25.

ALT 1e	Change to Base	
	Funding	Positions
PR	\$274,000	2.00

- f. Take no action.

Paralegal

- 2a. Provide 1.0 paralegal with \$57,000 in 2023-24 and \$73,400 in 2024-25.

ALT 2a	Change to Base	
	Funding	Positions
PR	\$130,400	1.00

- 2b. Take no action.

Records Management Supervisor

- 3a. Provide 1.0 records management supervisor with \$72,200 in 2023-24 and \$93,600 in 2024-25.

ALT 3a	Change to Base	
	Funding	Positions
PR	\$166,300	1.00

- 3b. Take no action.

4. In addition to any of Alternatives 1 through 3, provide positions as four-year project positions.

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