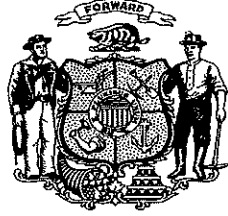


State of Wisconsin

SENATE CHAIR
Howard Marklein

316 East, State Capitol
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ASSEMBLY CHAIR
Mark Born

308 East, State Capitol
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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: June 2, 2022

Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from the Department of Administration, received June 2, 2022, pursuant to s. 16.515/16.505(2), Stats., on behalf of the Department of Safety and Professional Services.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Tuesday, June 21, 2022**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee

Date: June 2, 2022

To: The Honorable Howard Marklein, Co-Chair
Joint Committee on Finance

The Honorable Mark Born, Co-Chair
Joint Committee on Finance

From: Kathy K. Blumenfeld, Secretary-designee
Department of Administration

DS
KB

JUN 02 2022
St. Finance

Subject: s. 16.515/16.505(2) Request(s)

Enclosed are request(s) that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u> <u>AMOUNT</u>	<u>FTE</u>	<u>2022-23</u> <u>AMOUNT</u>	<u>FTE</u>
DSPS					
20.165(1)(g)	General program operations	\$1,500,000		\$1,000,000*	
20.165(2)(j)	Safety and building operations	\$1,500,000		\$1,000,000*	

* One-time expenditure authority

As provided in s. 16.515, the request(s) will be approved on June 23, 2022, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Kirsten Grinde at (608) 266-1353, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE/MemorandumState of Wisconsin
Department of Administration

Date: May 31, 2022
To: Brian Pahnke
From: Amanda Mott
Subject: Section 16.515 Request

Attached is a s. 16.515 request analysis for your approval and processing. Listed below is a summary of each item:

DOA RECOMMENDATION:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DSPS 20.165(1)(g)	General program operations	\$1,500,000		\$1,000,000*	
20.165(2)(j)	Safety and building operations	\$1,500,000		\$1,000,000*	

* One-time expenditure authority

AGENCY REQUEST:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DSPS 20.165(1)(g)	General program operations	\$1,500,000		\$1,000,000*	
20.165(2)(j)	Safety and building operations	\$1,500,000		\$1,000,000*	

* One-time expenditure authority

BP APPROVAL 



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary-designee
Brian Pahnke, Administrator

Date: May 31, 2022

To: Kathy Blumenfeld, Secretary-designee
Department of Administration

From: Amanda Mott
Executive Policy and Budget Analyst

Subject: Request under s. 16.515 from the Department of Safety and Professional Services for a program revenue supplement from the Joint Committee on Finance supplemental appropriation.

Request:

The Department of Safety and Professional Services requests increased one-time expenditure authority of \$3,000,000 PR in fiscal year 2021-22 and \$2,000,000 PR in fiscal year 2022-23 from the Joint Committee on Finance's supplemental appropriation under s. 20.865(4)(g) for continued development of an electronic safety and licensing system.

Revenue Sources for Appropriation

The requested expenditure authority would be budgeted under two appropriations. First, \$1,500,000 PR in fiscal year 2021-22 and \$1,000,000 PR in fiscal year 2022-23 would be budgeted in the department's general program operations appropriation under s. 20.165(1)(g). This annual appropriation receives revenues collected from reviewing and processing credentialing fees. The current program revenue balance in this appropriation totals \$30,400,000 and will fully support the requested increased expenditure authority.

Second, \$1,500,000 PR in fiscal year 2021-22 and \$1,000,000 PR in fiscal year 2022-23 would be budgeted in the department's safety and building operations appropriation under s. 20.165(2)(j). This is the department's annual appropriation that receives revenues collected from plan review and inspection fees. The current program revenue balance in this appropriation is \$14,000,000 and will fully support the requested increased expenditure authority.

Background

The department regulates health and business professions, and building and safety trade professions. As noted above, the department's regulation activities are almost entirely funded by program revenues, primarily fees for credentials, examinations, building plan reviews and inspections of construction activity.

In 2017, the department began to develop a comprehensive information technology modernization plan to update its legacy computer systems that support its primary public facing activities: (a) building plan review and permitting; (b) credentialing professions,

Kathy Blumenfeld, Secretary-designee

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May 31, 2022

trades and businesses; and (c) "regulated objects" inspections (including specifically located objects such as buildings, elevators and boilers subject to the department's permitting requirements).

The legacy system called Regulated Objects has been supported by fees related to commercial building inspections, permits, plan reviews and trades credentialing. The Integrated Credentialing and Enforcement (ICE) Platform and the Safety and Buildings Application (SABAPP) also assisted in trades credentialing, in addition to business and professional credentialing. The department collectively called improvements to these systems the electronic safety and licensing application (eSLA) project.

To fund the initial phase of the eSLA project, the department requested, and the Committee approved, increased expenditure authority of \$4,400,000 PR. This funding was used to retire and replace a portion of the department's Regulated Objects system, a 20-year-old software application. The eSLA system provides many functions that the Regulated Objects system was missing, such as rapid updates, reporting and search functionality, a Web-based application providing customer interaction, on-line payment, public lookup of licenses, and an on-line dashboard where customers can check the status of their submissions in many department-regulated programs. The Regulated Objects system is now retired.

The department received \$5,250,000 PR in 2019 Wisconsin Act 9 to continue eSLA project implementation. The department intended to use these funds to replace the trades credentialing functions, such as issuing new, and renewing existing, licenses. However, the unexpected and rapid onset of the COVID-19 pandemic required the department to alter its time line, focusing on migrating health profession credentials from the ICE platform to a new system.

Additional funding of \$3,000,000 PR in fiscal year 2021-22 and \$2,000,000 PR in fiscal year 2022-23 was set aside by the Committee in 2021 Wisconsin Act 58, the 2021-23 Biennial Budget, for the purpose of providing one-time support for phase three of the department's ongoing technology modernization, which will include continued modernization of both licensing and trades credentialing systems.

Analysis

The statement of work cost estimate to swiftly implement the health credential portion of the ICE replacement project was \$6,000,000 PR, rather than the \$2,900,000 PR estimated in the biennial budget. Due to the imminent nature of this upgrade, the department utilized available American Rescue Plan Act (ARPA) of 2021 funds for the project, allowing it to begin immediately and be completed expeditiously. This portion of the project went live on May 16, 2022.

The funds under this request will support the migration of credentials for 80 business professions and 76 trades from the ICE and SABAPP systems into the new system, now called "LicenseE." The cost estimate for this project is \$5,000,000; however, the contract for this portion of the work is under negotiation. For this part of the project, the department intends to leverage the design and build portions of the healthcare license

Kathy Blumenfeld, Secretary-designee
Page 3
May 31, 2022

migration to LicenseE to minimize duplication of effort. When fully complete, LicenseE will consolidate support for the department's over 240 license types into a single system.

Approval of this request will allow the department to immediately enter into a contract to complete this project. Delaying approval may lead to cost increases.

Recommendation:

Approve the request.

Wisconsin Department of Safety and Professional Services
Office of the Secretary
4822 Madison Yards Way
PO Box 8363
Madison WI 53708-8363



Phone: 608-266-1352
Web: <http://dsps.wi.gov>
Email: dsps@wisconsin.gov

Tony Evers, Governor
Dawn B. Crim, Secretary

DATE: May 26, 2022

TO: Brian D. Pahnke, Administrator
Division of Executive Budget and Finance
Department of Administration

FROM: Dawn B. Crim, Secretary
Department of Safety and Professional Services

SUBJECT: Request under s. 16.515 from the Department of Safety and Professional Services for increased expenditure authority for automation of credentialling.

Request

The Department of Safety and Professional Services (DPS) requests the Joint Committee on Finance's approval of additional appropriation authority totaling \$3,000,000 in fiscal year 2021-22 of which \$1.5 million is requested for annual PR-O appropriation s. 20.165(1)(g) for general program operations and \$1.5 million is requested for annual PR-O appropriation s.20.165(2)(j) for safety and building operations. In addition, the Department requests approval of additional appropriation authority totaling \$2,000,000 in fiscal year 2022-23 of which \$1.0 million is requested for annual PR-O appropriation s. 20.165(1)(g) for general program operations and \$1.0 million is requested for annual PR-O appropriation s.20.165(2)(j) for safety and building operations.

Funding Source

The \$5.0 million funding requested was contained in the Governor's biennial budget proposal (DIN 4000 Electronic Safety and License Application (eSLA) Phase III [Migration of ICE]). JFC Omnibus Motion 62, Item 2 provided one-time funding totaling \$5.0 million with \$3.0 million PR in FY 2021-22 and \$2.0 million PR in FY 2022-23 and specified that the funding be placed in the JFC Supplemental Appropriation.

The Department's request for \$2.5 million in spending authority in the appropriation under s. 20.165(1)(g) is supported by the revenue balance in this appropriation, which receives revenues from fees from credentialing professions. The current continuing revenue balance in this appropriation totals \$30.4 million.

The Department's request for \$2.5 million in spending authority in the appropriation under s. 20.165(2)(j) is supported by the revenue balance in this appropriation, which receives revenues from fees for plan reviews and inspection. The current continuing revenue balance in this appropriation is \$14.0 million.

This balance reflects that a revenue transfer has occurred to s.165(2)(ke) for the Wisconsin fund. The additional required statutory transfer to s.165(2)(kd), administrative services, has not occurred yet, but if the expenses to date were included the current continuing balance in (2)(j) would be \$11.7 million

Background

DSPS began in 2017 to develop a comprehensive modernization plan to update its legacy computer systems that support two of its primary public facing activities 1) plan review and permitting and 2) credentialing professions, trades, and businesses. In spring of 2018 DSPS submitted a s.16.515 request for \$4.4 million focused on the retirement of a system called Regulated Objects (RO). Regulated Objects (RO) was the Division of Industry Service's homegrown software application built by Department IT staff in the 1990s to catalog and store files for commercial building inspection, permits, plan reviews. RO was primitive and had very little search functionality or ability to cross reference variables (address and object for instance). Since RO was not a web-based application it lacked a customer facing side, including public look-up, dashboard, and online fee payment. RO was scheduled to be replaced for more than a decade, but the urgency escalated because RO could not operate on Windows 10, soon to be rolled out, and other Windows versions were sunsetting soon rendering the RO system inoperable.

DSPS's modernization plan, to launch in 2018, was divided into three releases. The first of these, described as the "pilot release" included in addition to work on inspections for one or two-family dwellings, mobile homes, manufactured homes and building under the uniform dwelling codes, also included work on related trades credentials such as manufactured home dealer or dwelling contractor. Trades credentialing was housed within another legacy system called SabApp (safety and buildings application) that interfaced with the department's Integrated Credentialing System (ICE).

Spanning from 2018 through 2021 the project to retire Regulated Objects became known as Phase 1 and the application developed was branded eSLA (Electronic Safety and Licensing Application). Today eSLA provides the functionality RO was missing. From a staff user perspective this functionality includes rapid updates, reporting and search capabilities and from a customer perspective provides online payment, public look-up, and a dashboard to check submission status. The trades credentialing task to retire SabApp and update ICE was separated from Phase 1 inspection and plan review activities and postponed. The 2019-21 biennial budget request included a request for funding to undertake trades credentialing with the assumption that Phase 1 would be done before Phase 2, trades credentialing, started. The budget request would have been developed in 2018 at a time when Phase 1 was just getting started, the relationship with the vendor was not mature, and the scope of work not well defined. DPDS's need for the funding for modernization was recognized and 2019 Wisconsin Act 9 included \$5,025,00 million of which \$1,025,000 was for licensing and customer portal and \$4,000,000 for Phase 2 development costs.

The COVID-19 pandemic threw the DSPS's IT systems upgrades plans out of sequence. Phase 1 was not complete, and Phase 2 was not started, when DSPS turned its attention to the needs of health care licensees and modernizing the legacy system that managed these, Integrated Credentialing and Enforcement (ICE). Upgrades for health care professions were to be the last part of Phase 3, with funding designated in the 2021-23 biennial budget for FY 2023, but DSPS felt that they needed to be advanced in the schedule due to the pandemic. In addition, Act 10 put in place new temporary, but now permanent out of state licensure processes for health care professions.

The legacy ICE system tracks the life cycle of a person's credentials including application requirements, renewals needed, complaints against the credential and collection of forfeitures. This outdated system requires DSPS staff time for tasks that would not be required in a modern system including manually processing payments, manually storing, and retrieving documents and troubleshooting the aging system. In developing the Scope of Work (SOW) for the ICE replacement project DSPS was faced with an estimate that the cost to implement the health care part of Phase 3 in one year was \$6 million not the \$2.9 million estimated at the time of the biennial budget submission. Even back at that time DSPS realized that the amount requested in the budget was an estimate as noted in LFB Paper #552 page 3 that discusses the total requested amount for Phase 3, "The \$5,000,000 in one-time funding for the 2021-23 biennium reflects the Department's Safety and Professional Services 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 currently 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."

In 2022, DSPS requested a \$6.0 million allocation of federal American Rescue Plan Act (ARPA) funding to modernize the system for credentialing the health care professions so that the health care modernization project could move forward expediently. The project design would provide a framework for a system for all credential seekers not just those seeking a health care credential. The new system was branded "LicenseE" when DSPS saw an opportunity for clearer branding that ties the function to the name. DSPS staff were surprised to find that the perfect URL, [License.wisconsin.gov](https://license.wisconsin.gov), was available so deciding that the system and its URL have the same name was an easy decision, plus the two systems, eSLA and LicenseE, serve different functions and stakeholders.

The Department is proud that, in less than a year, it will deliver a modern system for healthcare credential applicants. Beginning May 16, a healthcare professional applying for an initial license will do so through the LicenseE system, with those seeking renewals expected to be able to utilize the new system by July 31, 2022. The development of LicenseE was informed by the work on eSLA resulting in changes to DSPS's modernization efforts with the new system. While eSLA was built on the Salesforce Classic platform, LicenseE is being built using Salesforce's cloud based Public Sector Foundation (Lightning platform) which will be able to be readily reconfigured to address credentialing changes. When

fully complete, LicenseE will consolidate all DSPS's over 240 license types into a single, easy-to-use system.

DSPS will leverage the design/build efforts from health care licenses that utilize a different platform, vendor, and timeline to efficiently complete our full licensure modernization. DSPS is requesting the full \$5.0 million, \$3.0 million for SFY 22 and \$2.0 million for SFY 23, in one request to allow the Department to complete its modernization efforts which includes credentialing for 76 trades and 80 business professions. The request is split between two appropriations reflecting that Wis Stats. s. 20.165(2)(j) revenue supports the trades credentialing and s.20.165(1)(g) supports business professions licensing. Approval of this request will allow DSPS to enter immediately into a contract for system development and deployment that supports 80 business credentials and 76 trades and unarmed combat sport credentials, as well as complaint handling and tracking and monitoring functionality, and that includes platform licensing. DSPS's current bid for the work is within the \$5.0 million budget. Delay in the current inflationary environment may lead the cost to complete the modernization to increase.

Conclusion

Approval of the Department's \$5.0 million request for additional appropriation authority will allow DSPS to meet stakeholder expectations by providing a modern web-based application that will decrease the time it takes to receive, review, and complete the credentialing process, enable the Department to issue licenses more quickly, and support the employment goals of Wisconsin's citizens.

Contact Information

If you have questions regarding this request or need more information, please contact Lili Kelly, DSPS Budget and Policy Manager at lilian.kelly@wisconsin.gov.