



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 6, 2023

Joint Committee on Finance

Paper #681

System Platforms and Equipment Upgrades (Safety and Professional Services -- Departmentwide)

[LFB 2023-25 Budget Summary: Page 551, #1, and 552, #4]

CURRENT LAW

The Department of Safety and Professional Services (DSPS) is responsible for ensuring the safe and competent practice of a wide range of health, business, and building trades professions through its licensing and credentialing activities. Over the last several years, DSPS has utilized program revenues from its credentialing activities and federal funds to upgrade and modernize the credentialing process and enable credentialing and licensing activities to take place online. These online systems require regular maintenance, upgrades to reflect evolving technology, and specific subscription packages to uphold efficient levels of service to customers.

Additionally, state agencies regularly engage in office equipment upgrades to ensure that staff are utilizing serviceable computers, phones, printers, and related supplies. These types of upgrades may include new computers with hardware systems able to run advanced software, high-capacity printers and scanners for expansive projects, and ergonomic desks and chairs to improve staff comfort and efficiency.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would provide \$2,117,900 in 2023-24 and \$2,234,500 beginning in 2024-25 for the following system platforms subscriptions and maintenance: (a) \$1,760,700 in 2023-24 and \$1,813,600 in 2024-25 for various software subscriptions and maintenance for License components required for operation of the system for health and business occupation credentialing; (b) \$135,800 in 2023-24 and \$139,900 in 2024-25 for the software subscriptions and maintenance fees of the Electronic Safety and Licensing Application (eSLA) for safety and building plan reviews and permitting; and (c) \$221,400 in 2023-24 and \$281,000 in 2024-

25 for a variety of software subscriptions and maintenance, including for electronic forms, call center functions, and other DSPPS internal operations.

2. Additionally, AB 43/SB 70 would provide \$219,700 in 2023-24 and \$226,100 in 2024-25 as one-time funding for the Department to make certain equipment updates. Funding would be intended to support replacement of agency equipment that has become obsolete or otherwise reached the end of its functionality.

System Platforms Subscriptions and Maintenance

3. Since the 2017-19 biennium, DSPPS has initiated various modernization projects for its licensing, credentialing, and other approval activities. This has included the migration of all licenses and credentials from various outdated systems to a centralized online system called LicensE, through which applicants in the state may apply for, monitor progress on, and acquire licenses. Additionally, DSPPS has deployed eSLA for various approvals and applications in the buildings and trades programs. Funding for the projects has come in part from the Department's general program operations appropriation balances, including: (a) \$4.4 million in 2018 authorized by the Joint Finance Committee; (b) \$5.025 million in the 2019-21 biennium; and (c) \$5.0 million authorized by the Joint Finance Committee in June of 2022. \$6.5 million in federal American Rescue Plan Act (ARPA) funding was provided by the Governor in 2021 to support the LicensE project.

4. DSPPS dedicated the \$5 million provided in 2022 to migrating remaining business professions credentials and trades credentials to the LicensE platform. DSPPS anticipates that the LicensE platform will support licensing for all of the Department's more than 240 license types by the end of 2023. Additionally, as of December, 2022, LicensE provides a public portal 'lookup' to allow applicants or third parties such as employers to track the status of applications.

5. Table 1 summarizes the costs that would be budgeted for systems subscriptions and maintenance under AB 43/SB 70. DSPPS reports that a substantial portion of the funds would support costs of licenses that are payable to external vendors such as Salesforce, which provides the software platform for the LicensE system. While DSPPS has been authorized costs for developing and implementing these systems in past biennia, budget authority was provided on a one-time basis, and ongoing costs of subscriptions and maintenance payments due to vendors has not been separately approved in most cases.

TABLE 1

DSPS IT Platforms Subscription and Maintenance Costs

	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial</u>
<u>LicensE Subscriptions and Maintenance</u>			
Salesforce Base Licenses -- Internal and External Users	\$773,600	\$796,900	\$1,570,500
Salesforce Additional Licenses	471,100	485,200	956,300
Other LicensE Costs	<u>516,000</u>	<u>531,500</u>	<u>1,047,500</u>
Subtotal - LicensE	\$1,760,700	\$1,813,600	\$3,574,300
eSLA Subscriptions and Maintenance	135,800	139,900	275,700
Other Customer Support Platform Subscriptions	<u>221,400</u>	<u>281,000</u>	<u>502,400</u>
Total	\$2,117,900	\$2,234,500	\$4,352,400

6. DSPS states that the provision was considered and structured in consultation with the Department of Administration's Division of Enterprise Technology. DSPS states that these funds and the associated maintenance is considered high priority. The DSPS Secretary-Designee in March 30, 2023, testimony to the Committee noted that it can be advantageous to have private vendors maintain systems to support customer service, such as web-based credential applications and payments, a modern call center, and online plan review submission, to keep operating platforms updated for providing consistent and effective services to the public. However, maintenance requires potentially significant expenditures based on market rates for the services. As DSPS and other state agencies have contracted for such vendor-provided services, the state would be obligated to meet ongoing licensing costs that may be assessed by vendors based on market rates. These costs would be necessary for licensed access for internal and external users of the LicensE, eSLA, and customer support platforms.

7. The funds in this request would be 60% supported by DSPS licensing fee revenues under the health and business professions program and 40% supported by the appropriation for regulation of buildings and trades professions. The Department reports that the provision aims to use funding from each program's balance in a manner commensurate with the technology benefits to those programs.

8. Given the importance of well-functioning electronic systems and the maintenance required for this, the Committee could approve the funds under the provision [Alternative A1]. The Committee could also provide funding on a one-time basis [Alternative A2]. Although it would be likely that costs of licenses and maintenance would increase over time, the Committee could consider agency funding for these costs in their entirety in future biennia, particularly if a base increase would otherwise be under consideration.

9. The Committee could take no action [Alternative A3]. DSPS could request funds under a subsequent s. 16.515 request, or the agency would be required to use existing budget authority to cover costs. However, given the necessity of uninterrupted information systems service, taking no action could result in impediments for the Department's licensing and plan review activities.

Equipment and Software Upgrades

10. Table 2 shows the equipment to be replaced, the recommended replacement cycles in years, and the costs per unit.

TABLE 2

Equipment and Software Upgrades -- Assembly Bill 43/Senate Bill 70

<u>Item</u>	<u>Number of Items to Replace</u>	<u>Cost Per Item</u>	<u>Total Cost</u>
2023-24 Replacements			
Laptops and docking stations	85	\$2,000	\$170,000
Desktops	16	1,000	16,000
Printers	14	350	4,900
Monitors	66	250	16,500
Peripheral devices (cameras/headsets)	110	100	11,000
Cell phone case	<u>26</u>	50	<u>1,300</u>
Total	317		\$219,700
2024-25 Replacements			
Laptops and docking stations	90	\$2,000	\$180,000
Desktops	14	1,000	14,000
Printers	14	350	4,900
Monitors	66	250	16,500
Peripheral devices (cameras/headsets)	95	100	9,500
Cell phone case	<u>24</u>	50	<u>1,200</u>
Total	303		\$226,100

11. DSPS reports that the equipment listed in Table 2 is outdated and in need of replacement, according to actual usage and standardized technology obsolescence timelines. Such equipment replacements are typical of state agencies and most other service-based industries.

12. The revenues and available balances of DSPS' health and business program and building trades program would be able to cover this one-time cost. The costs would be 44% supported by licensing fee revenue under the health and business professions program and 56% supported by fees from buildings and trades professions.

13. Outdated technology can cause delays and inefficiencies for state agencies. The Committee could approve the full funding amount [Alternative B1] to allow for upgrades and replacements of outdated supplies. The Committee could take no action [Alternative B2].

ALTERNATIVES

A. System Platforms Subscriptions and Maintenance

1. Provide \$2,117,900 in 2023-24 and \$2,234,500 beginning in 2024-25 for the following system platforms subscriptions and maintenance: (a) \$1,760,700 in 2023-24 and \$1,813,600 in 2024-25 for various software subscriptions and maintenance for LicenseE components required for operation of the system for health and business occupation credentialing; (b) \$135,800 in 2023-24 and \$139,900 in 2024-25 for the software subscriptions and maintenance fees of the electronic Safety and Licensing Application (eSLA) for safety and building plan reviews and permitting; and (c) \$221,400 in 2023-24 and \$281,000 in 2024-25 for a variety of software subscriptions and maintenance, including for electronic forms, call center functions, and other DSPS internal operations.

ALT A1	Change to Base
PR	\$4,352,400

2. Specify that the funding is one-time.

3. Take no action.

B. Equipment and Software Upgrades

1. Provide \$219,700 in 2023-24 and \$226,100 in 2024-25 as one-time funding for the Department of Safety and Professional Services to make certain equipment updates.

ALT B1	Change to Base
PR	\$445,800

2. Take no action.

Prepared by: Moriah Rapp

