



Legislative Fiscal Bureau

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September 26, 2023

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Safety and Professional Services: Section 13.10 Request for Credentialing and Finance Positions and Call Center Contract Funding -- Agenda Item I

REQUEST

On August 31, 2023, the Department of Administration (DOA), on behalf of the Department of Safety and Professional Services (DSPA), submitted a request to the Joint Committee on Finance under ss. 16.505 (2) and 16.515 of the statutes for the following to be approved for DSPA: (a) the extension of 2.0 full-time program revenue (PR) two-year project positions beginning October 1, 2023; (b) the creation of 5.0 PR project positions from January 1, 2025, through September 30, 2027; (c) the creation of 0.25 PR financial specialist permanent position; and (d) the approval of one-time funding in 2024-25 for contract services to supplement the agency Customer Service Center (CSC). Total requested funding includes \$118,200 in 2023-24 and \$1,274,300 in 2024-25.

The Committee notified the Administration of an objection to the request on September 21, 2023. The s. 16.505/.515 request is now before the Committee under s. 13.10 of the statutes.

BACKGROUND

DSPA 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 active credential holders. As of August 31, 2023, active credential holders in the health and business professions totaled 423,400, with more than 80,000 active credential holders in the building trades professions.

The Customer Service Center (CSC) in DPCP answers a variety of phone calls and assists callers with the procuring licensing for their practice or occupation. Call center staff respond to a variety of individuals, including credential and license seekers, employers, educational institutions, hospitals, state officials, and all others with inquiries or concerns regarding the state's regulation of

professions. DSPS regulates more than 240 professions, and as a result call center staff are expected to maintain technical knowledge of the various licensing requirements and application components to best assist those seeking help.

Beginning October 1, 2023, DPCP will have 75.0 authorized positions, including: (a) 48.0 for credential processing; (b) 16.0 for the CSC; and (c) 11.0 for credential legal review. This total includes 7.0 four-year project positions for credential processing and 6.0 two-year project positions for the CSC authorized under 2023 Wisconsin Act 19, the 2023-25 biennial budget act. Also included are 12.0 FED project positions authorized through December 31, 2024, and supported by funding allocated by the Governor under the American Rescue Plan Act (ARPA). This total also assumes the September 30, 2023, expiration of 2.0 project positions for health credentialing that would be extended under the request.

ANALYSIS

DSPS indicates that the 7.25 requested positions would be allocated within the Department as follows: (a) 5.0 PR project positions for credentialing are intended to restore the net number of positions that expire on December 31, 2024 (-12.0) and that are not accounted for under 2023 Act 19 credentialing positions (7.0); (b) 2.0 PR project positions would be extending current PR project positions, which expire on September 30, 2023, through September 30, 2025 (both positions are currently filled); and (c) 0.25 financial specialist PR position would reverse a deletion of 0.25 long-term vacant position for the same purposes under 2023 Act 19. Additionally, a total of \$873,600 in 2024-25 would be provided over multiple agency operations appropriations to continue contract services for CSC through June 30, 2025. Table 1 summarizes the funding for positions and contract services under the request.

TABLE 1

Summary of DSPS Positions and Funding Request

| <u>Request</u> | <u>General Program Ops.</u> <u>[s. 20.165 (1)(g)]</u> | | <u>Health Professions</u> <u>[s. 20.165 (1)(hg)]</u> | | <u>Safety and Bldgs.</u> <u>[s. 20.165 (2)(j)]</u> | |
|---------------------------------|--|----------------|---|----------------|---|----------------|
| | <u>2023-24</u> | <u>2024-25</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2023-24</u> | <u>2024-25</u> |
| 5.0 Credential Staff (New) | \$0 | \$0 | \$0 | \$240,600 | \$0 | \$0 |
| 2.0 Credential Staff (Extended) | 59,100 | 80,100 | 59,100 | 80,100 | 0 | 0 |
| 0.25 Financial Specialist | 0 | 0 | 0 | 0 | 0* | 0* |
| Contract Call Center Staff | <u>0</u> | <u>131,000</u> | <u>0</u> | <u>611,500</u> | <u>0</u> | <u>131,000</u> |
| Total | \$59,100 | \$211,100 | \$59,100 | \$932,200 | \$0 | \$131,000 |

*Budgeted under s. 20.165(2)(kd), but supported by transfers from this appropriation.

The DSPS appropriation for health and business professions regulation [s. 20.165 (1)(g)] had a June 30, 2023, closing available balance of \$27.4 million. The appropriation for regulation of health

professions [s. 20.165 (1)(hg)] had an available balance of \$4.1 million as of June 30, 2023. The appropriation for safety and buildings trades [s. 20.165 (2)(j)] had a June 30, 2023, closing available balance of \$13.2 million. Due to the limited term of the project positions and other one-time funding requests, the proposal would not be expected to limit the appropriations' ability to fund supported programs in future biennia.

The following paragraphs discuss the components of the request separately.

Credentialing Positions

A total of 7.0 credentialing positions would be authorized under the request, including 5.0 license/permit program associates (LPPAs), 1.0 attorney, and 1.0 paralegal. Of the total positions requested, 2.0 LPPAs were authorized under 2021 Wisconsin Act 58, the biennial budget act, and would be extended through September 30, 2025. The remaining 5.0 positions (3.0 LPPAs, 1.0 attorney, and 1.0 paralegal) would be authorized from January 1, 2025, through September 30, 2027. This term would coincide with the authorization of 7.0 PR four-year credentialing project positions (6.0 LPPAs and 1.0 paralegal) created under 2023 Act 19. DSPS intends for these positions to maintain 12.0 licensing and credentialing positions as currently supported by federal ARPA funding, which must be allocated by December 31, 2024.

The Department contends the additional position authority is needed to maintain or reduce current processing times for credentials. Table 2 shows the average credential processing times DSPS reported in October of 2022 to the Legislative Council Study Committee on Occupational Licensing. As of March of 2023, DSPS testimony to the Joint Committee on Finance indicated average processing times were 38 days.

TABLE 2

Health and Business Credential Processing Times (Days)

| | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Business | 58 | 56 | 41 | 42 | 40 | 27 |
| Health | 87 | 94 | 95 | 111 | 104 | 65 |
| All Credentials | 76 | 79 | 74 | 86 | 79 | 46 |

Table 3 shows the LPPA positions approved by the Committee in recent biennia and prior to 2023 Act 19. The approval of 6.0 LPPA project positions under Act 19 had the general effect of replacing the same number of project positions, and for the same purposes, as approved by the Committee in recent biennia.

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 | |

As DSPS has identified concerns about expiring FED-funded positions reducing the agency's ability to process credential applications in a timely fashion, the Committee could consider approving either of the 5.0 new positions or the 2.0 extended positions [Alternatives A1 or A2 and B1 or B2]. Alternatives A2 and B2 would approve funding only for salaries and fringe benefits; these would be removed under biennial standard budget adjustments upon the positions' expiration, and the alternatives would exclude additional funding for supplies and services associated with the positions. DSPS indicates that the agency would intend to fill all approved FED and PR positions through their specified authorization dates, assuming the agency could recruit and hire suitable candidates for any open positions.

Financial Specialist

This 0.25 position was deleted in Act 19 due to being vacant for several years. The position is supported by transfers from the safety and buildings operations appropriation. Funding for the position was not reduced under Act 19 but would be removed under standard budget adjustments for the 2025-27 biennium. DSPS indicates that this 0.25 position would be partially combined with 1.0 vacant position to yield a 0.60 and a 0.65 budget and finance positions. DSPS intends for this to better align the existing position authority with departmental needs. The Committee could approve the request [Alternative C1] or deny the request [Alternative C2].

Call Center

DSPS is currently authorized 15.0 state-funded and 1.0 FED staff in the CSC. Of those, 6.0 were provided in 2023 Act 19 and are in recruitment. The remaining positions consist of 1.0 records management program supervisor, 3.0 LPPAs, and 6.0 pre-existing office operations associates that are all filled. The office operations associates are the primary staff that answer phone calls. The Department states that 6.0 filled call answering staff are able to handle about 37% of approximately 1,700 daily calls, as the DSPS Secretary-Designee's testimony to the Committee indicated on March 30, 2023.

The agency reports it utilized limited-term employees and in 2022 began contracting

additional employees through a third-party company using ARPA funds. DSPS observes that the 21 currently contracted staff can handle approximately 60% of calls. As a result, the Secretary-Designee reported to the Committee that typical call answer rates meet or exceed 90%. Of the requested funding, DSPS reports that \$873,600 in 2024-25 would be used to pay for continuation of these contracted call center services upon the expiration of ARPA funding on December 31, 2024. The Department has indicated that funding can be approved on a one-time basis, and that CSC staffing for the 2025-27 biennium could be considered during deliberations for the 2025-27 biennial budget. The Committee could approve funding [Alternative D1] or deny the request [Alternative D2].

ALTERNATIVES

A. New Credentialing Project Positions

1. Provide \$240,600 in 2024-25 with 5.0 PR project positions from January 1, 2025, through September 30, 2027. (Funding would cover salary, fringe benefits, and supplies and services.)
2. Provide \$204,400 in 2024-25 with 5.0 PR project positions from January 1, 2025, through September 30, 2027. (Funding would cover only salary and fringe benefits.)
3. Take no action.

B. Extension of Credentialing Project Positions

1. Provide \$118,200 in 2023-24 and \$160,200 in 2024-25 to extend 2.0 PR health license processing project positions for two additional years, beginning on October 1, 2023. (Funding would cover salary, fringe benefits, and supplies and services.)
2. Provide \$96,500 in 2023-24 and \$131,200 in 2024-25 to extend 2.0 PR health license processing project positions for two additional years, beginning on October 1, 2023. (Funding would cover only salary and fringe benefits.)
3. Take no action.

C. Financial Specialist Position

1. Provide 0.25 PR financial specialist permanent position.
2. Take no action.

D. Funding for Contracted Call Center Staff

1. Provide \$873,600 in one-time funding in 2024-25 for contract services to supplement the agency Customer Service Center (CSC).
2. Take no action.

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