



STATE OF WISCONSIN

Legislative Audit Bureau

Joe Chrisman
State Auditor

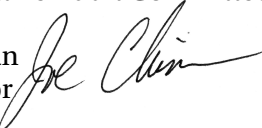
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DATE: February 1, 2023

TO: Senator Eric Wimberger and
Representative Robert Wittke, Co-chairpersons
Joint Legislative Audit Committee

FROM: Joe Chrisman
State Auditor 

SUBJECT: Proposed Audit of Professional License Processing by the Department of Safety and
Professional Services—Background Information

At your request, we have gathered some background information that the Joint Legislative Audit Committee may find helpful in considering an audit of professional license processing by the Department of Safety and Professional Services (DSPS).

DSPS is responsible for ensuring the safe and competent practice of licensed professionals in Wisconsin. DSPS administers more than 200 types of credentials, which this memorandum will collectively refer to as professional licenses. DSPS also provides administrative services and policy assistance to the state occupational authorities responsible for regulating professions, including nearly 100 boards, councils, and advisory committees that have varying levels of responsibility and professional oversight based on statutory provisions.

DSPS is funded primarily from program revenues collected from fees paid by individuals seeking licenses or by fees paid for services it provides. In fiscal year (FY) 2022-23, DSPS has an all-funds budget of \$62.5 million, and its 256.14 authorized full-time equivalent staff positions are organized into the Office of the Secretary and five divisions.

The Division of Professional Credential Processing is responsible for processing all license applications, including determining license eligibility and renewal. The Division is responsible for licensure, renewal, and verification of health, business, trades, and manufactured home owners/communities credentials, as well as operation of a customer service center.

The Division of Legal Services and Compliance provides legal services to professional boards and DSPS regarding the investigation and discipline of license holders for violations of professional regulations. The Division is also responsible for a complaint intake process, compliance monitoring, and a confidential program for impaired professionals.

In February 2022, DSPS indicated that its call center received, on average, between 3,400 to 4,400 calls each week and that more than 400 applications required review by DSPS legal staff at any one point in time. From July 2021 through December 2021, DSPS also indicated that there were more than 50,410 renewals and that it received 22,486 initial credential applications.

The 2022 Legislative Council Study Committee on Occupational Licenses reviewed the licensing system administered by DSPS. In an October 2022 response to the Study Committee, DSPS indicated the average amount of time to process licenses was 79 days in FY 2020-21 and 46 days in FY 2021-22. DSPS indicated that it will migrate all licenses in 2023 to LicenseE, which is a new electronic system. The Study Committee recommended legislation for introduction by the Joint Legislative Council that would require DSPS to include certain information in its biennial report and on its website, allow DSPS to change its process of legal review for an arrest or conviction record for minor offenses, increase the renewal periods for health and business licenses, and revise certain aspects of processing for initial applications, reciprocal applications, and renewal applications.

An audit of professional license processing by DSPS could:

- determine compliance of DSPS with statutory, administrative rule, and policy requirements related to issuing and renewing licenses;
- assess trends in the number of licenses DSPS issued and renewed in recent years;
- analyze trends in funding and staffing for license processing in recent years;
- perform a workload analysis at each step of the licensure process and determine the timeliness with which DSPS issued and renewed licenses in recent years;
- assess how the investigation of complaints against license holders affected the timeliness with which DSPS issued and renewed licenses;
- review the license applications and renewals awaiting processing, the average wait time for processing, and the factors that affect wait time;
- evaluate the number of calls and the performance of DSPS's call center in recent years;
- consider the experiences of individual applicants for licensure or renewal to identify patterns in license processing;
- assess how DSPS tracks license processing and review actions DSPS has taken to improve license processing;
- assess the implementation of LicenseE and the anticipated effects on license processing;
- review the role of the boards, councils, and advisory committees in license processing;
- review the satisfaction of and improvements suggested to DSPS by boards, councils, and advisory committees; and
- compare DSPS's licensure processing with that used by other states and identify best practices.

I hope you find this information helpful. Please contact me with any questions.

JC/ak

cc: Members, Joint Legislative Audit Committee