



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
February 7, 2023

TO: Members of the Joint Legislative Audit Committee
FROM: Secretary-designee Kathy Blumenfeld
RE: Proposed Audit of Telework, Space Management, and Risk Management
Date: February 7, 2023

TESTIMONY

Thank you for the opportunity to speak today on the proposed audit relating to telework, space management, and risk management. This is something that is continually top of mind for me at the Department of Administration (DOA), where our mission is to deliver effective and efficient services at the best value to government agencies and the public. My priorities as Secretary for this biennium include building upon our prudent fiscal management, modernizing and building a resilient workforce, and increasing resources for our IT infrastructure. As we continue to pursue those goals, we are confident DOA will be able to comply with the audit proposed by the Joint Legislative Audit Committee today.

Supporting our state workforce and advocating for long-term sustainable goals is something that will take time and something we have already begun at DOA. There are three main pathways that I think of when looking at workforce modernization which includes the work, workplace, and workforce.

1. The Work – reviewing what is done by state employees day-to-day and getting a better picture of what work can and cannot be done remotely.
2. The Workplace – looking at how to right-size our physical space to fit a modern workforce with hybrid work environments. As part of this DOA is reviewing underutilized and unutilized space to evaluate how to match space most effectively to existing and future needs and re-evaluate space where deferred maintenance is prohibitively high.
3. The Workforce – focusing on recruiting and retaining employees from all over the state. For example, “Hire Anywhere Wisconsin” is an initiative to hire state employees from all 72 counties. This will expand our recruiting capacity, bring in top talent, and make our workforce more reflective of the entire state population and the people we serve.

Doing a comprehensive study and review to understand these three pillars fully is critical to supporting a more modern, efficient, and effective state workforce. This study will inform our decisions moving forward to make sure that we are making the most financially sound choices and providing savings to the taxpayers, while ensuring we continue offering excellent customer service to the public.



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Workforce modernization and the opportunity to realize cost savings from some of these initiatives were the result of the unprecedented COVID-19 global pandemic and near immediate changes that were required during that time. In 2020, DOA's Division of Enterprise Technology (DET) was responsible for getting many users set up to work from home and accessing their data securely, working with other agencies as they saw increased demands on their services, and motivating, monitoring, and working with staff remotely. New applications and services were needed during the pandemic, including secure remote connections to data via file transfer mechanisms, new collaboration tools, remote connectivity and setup for all users via VPN (or virtual private network).

A key component to this transition were clear cybersecurity policies and a recognition that cybersecurity is a shared responsibility. Our security efforts are focused on protecting state operations and the personal data of residents. The more we can work cooperatively with stakeholders on improving our defenses, the safer we all are from cyber-attacks and potential threats.

A DOA employee workgroup convened in 2019-2020 and provided recommendations that were used as the basis for establishing an Alternative Work Patterns (AWP) Policy, which affirmed that agency employees who meet performance goals and expectations are eligible for consideration to participate in the AWP program. Because of the pandemic, several significant policies and procedures were established that promoted employee satisfaction and productivity, health, wellness, and employee safety. We were able to realize cost-efficiencies for the state and employees, provide for contingency planning for Continuity of Operations (COOP), and improve recruitment and retention purposes filling positions that could be done remotely.

DOA's Division of Personnel Management (DPM) deployed enterprise telework solutions for all nonessential state employees. Beginning March 25, 2020, with the Safer at Home Order and through July 6, 2021, while adhering to CDC and DHS public health and safety guidelines, nonessential state employees worked remotely. The Wisconsin Human Resources Handbook (WHRH) was updated to provide guidance on alternative work patterns and telecommuting policies.

In May 2021, DOA released Vision 2030, a report that highlighted four main challenges to the State of Wisconsin workforce: aging infrastructure; aging workforce; limitations on talent attraction; and adaptation to the digital age. A flexible workplace model is a cross-cutting solution, in combination with other strategies, that is necessary to address each of these four challenges. Vision 2030 highlighted the necessity to attract and retain a strong and diverse workforce and outlined the benefits of teleworking, including the ability to cultivate a



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geographically and culturally diverse workforce that can foster innovation, creativity, and cost-effective solutions, while saving taxpayer dollars through a reduced footprint. I encourage all interested legislators and residents to review this report, available on DOA's website (doa.wi.gov/Secretary/DOAVision-2030.pdf)

If anything, through the complexities of the pandemic, we were able to show how the transition to alternative work patterns can provide many workforce solutions, help us move toward modernization, and ensure that the state workforce is resilient and ready to face future challenges, all while providing high quality services that Wisconsinites expect and deserve.

Of course, like employers across the state, we continue to learn and adapt in this new environment. Because there is not a one-size-fits-all approach for the work, workplace, and workforce across the enterprise, each agency has been responsible for setting policies that reflect its organization's operations and service delivery models. Using Vision 2030 as the guide, DOA will continue to offer assistance and continuous improvement opportunities through our personnel and facility management roles.

Already last year, we adopted a new standard employee performance evaluation program called E-Performance. This is required for all classified permanent and project employees and ensures supervisors communicate performance standards to employees, provide observations/feedback to employees regarding their performance—regardless if they work in the office or remotely. This tool helps supervisors and employees identify the training and development needed to improve the quality and quantity of their performance and, thereby, increasing or maintaining expected levels of productivity.

DOA also continues to review the number and conditions of state-owned properties, as well as state agency's current and future plans for telework and remote work, to advise the Governor and State Building Commission on proposed changes to optimize space utilization across the state and ultimately save taxpayers money.

As we continue to move forward, I am confident we will be able to comply with the audit proposed by the Joint Legislative Audit Committee today and will benefit from any recommendations.

Thank you.



DATE: February 7, 2023
TO: Joint Legislative Audit Committee
FROM: Dan Hereth, Secretary-designee
RE: **Proposed Audit of Professional License Processing**

Dear Committee Members:

Good morning, Senator Wimberger, Representative Wittke, and members of the Joint Legislative Audit Committee. It is my pleasure to be here today. It is my hope that today is a continuation of our ongoing, open dialogue—not just about the needs of the department, but also about the needs of the people and industries that rely on the services our department provides as required by the laws of the state of Wisconsin. This is important work that affects every person in all 72 counties.

I recognize that this committee seeks a better understanding of departmental credentialing operations. In my testimony today, I will describe the credentialing process as well as the steps the department is taking to add efficiencies and empower applicants throughout that process.

I will begin by saying that the department is issuing more licenses, more quickly than ever before. In particular, we have seen significant improvement in average processing times of applications over the past twelve months. This is largely the result of new systems that allowed our staff to focus their efforts on active applications. This is a significant departure from the old processes in which applications were treated in a first-in, first-out approach.

The first-in, first-out approach required staff to cycle through all applications from start to finish. This meant staff would touch every application to determine whether it was ready for action. Many of these applications were not ready for next steps. We were still waiting for clarification or additional documentation from the applicants, educational institutions, testing organizations, or other third parties.

This was inefficient. It created additional touches for almost every application because it did not prioritize those applications that were ready for staff evaluation. Our new system does that. Put another way, the new system automatically tells us which applications have submitted new material that requires review. This eliminates a primary inefficiency of the old process, and it puts staff time to more effective use.

As a result, we have gone from touching new documentation in approximately 5 to 6 weeks to 2 to 3 weeks. This leads directly to faster processing times, especially for well-prepared applicants who quickly submit all information required by law.

This is a big improvement, and I am pleased that we have made this much progress with our new system. That said, I want to do better still. As we finish system development and deployment, I am working to cut that time in half again so that our staff can move through active applications even more quickly.

This is a key effort because of the way licensing works. Licensing is not instantaneous. It is an inherently iterative process that involves the applicant, the agency, and numerous third-party entities that provide required information. Therefore, the speed which a person is licensed is dependent on two primary factors: the speed with which an applicant and relevant third parties (employers, courts and schools) submit statutorily required documentation, and the speed with which our staff can review submitted materials and update files with decisions or determinations. We are focused on doing the work within our control quickly and accurately. We are also focused on making it easier for applicants and third parties to do their part quickly and accurately.

LicensE was a good first step. As I mentioned earlier, LicensE allows us to focus our efforts on the applications that are ready for review. I am pleased to share that later this year we will complete our system upgrades by adding all business and trades professions to the LicensE system. And by the end of 2023, all licenses the department issues will be in the new system. This will yield even greater efficiencies, as staff will be able to concentrate their efforts in a single system instead of working across multiple systems and processes.

Another step in our effort is working to suggest changes in statute or rules that will maximize the number of concurrent steps in the process. This approach will improve the flow rate of both document submission and document review.

Upon my appointment, one of my first steps was to advocate with the nursing board to create passive review of graduation material for approval to take the national exam. This allows us to automate examination approval upon graduation. It also enables us to concurrently review graduation material and background check information while the applicant is studying for and taking the national exam. This, combined with a new integration with the national exam vendor, ultimately positions us to automate license issuance upon electronic receipt of passing exam scores.

While profoundly valuable, the work of reviewing statutes and rules to identify ways to create concurrent steps is time consuming and labor intensive. The department currently has only one lean analyst for the entire organization. Greater capacity to review statutes and rules for these kinds of automation opportunities would lead to similar benefits for other occupations and license types.

The department has been focused on improving communication to better empower applicants and those who support applicants by guiding them through the process. This communication is especially critical for those applicants who don't fully understand the process or have unique circumstances that require individual attention.

Last year, the department replaced inadequate call center software to increase our call capacity. Additionally, the department developed and launched multiple tools designed to improve information provided to both employers and schools so that they can better assist applicants in the process. For example, in December we launched our public application status lookup tool, and just last month we launched the first phase of our website refresh to improve access to the most commonly needed information.

Yet we know that, even with these improvements, many of our applicants have questions. Our call center volume tells us that quite clearly. The department regularly receives anywhere from 5 to 10 thousand calls each week. To handle those calls, we have six full time call center staff. These six employees can answer approximately 37 percent of incoming calls, which means that 63 percent of calls go unanswered. I am not satisfied with that. I want all our customers who need help to get it.

So last summer, with the governor's approval, we used federal rescue funding to add 22 contract staff. This eventually got us to a 97% answer rate. While this improvement is laudable, contract staff have limited ability to fully respond to unique questions about more than 240 different credential types.

We need to constantly strive to do work better—more quickly, more easily, and no less accurately. Permanent staff develop the expertise that directly benefits the individuals who call with questions.

Finally, we are thinking creatively about how to deliver increased value to our customers. For example, I recently announced a partnership with a company called CE Broker. This public-private relationship will make it easier for credential holders to manage their continuing education credits and satisfy requirements. This will further simplify the renewal process for our credential holders. I am excited to offer this service here in Wisconsin, and I look forward to exploring other partnerships that will make a difference for applicants and credential holders throughout the state.

I am proud to be the secretary-designee of the Wisconsin Department of Safety and Professional Services. I intend to lead this department toward success with a commitment to sustained improvement. To do that, I will continue to evaluate and streamline internal processes. I will continue to optimize our technology and seek ways to automate so that staff can focus on higher level work, like evaluation and customer interaction.

I will also continue to advocate for the ability to use resources that will build our capacity. As our call center experience shows, more people can do more work. And I want more employees doing more work for the people of Wisconsin.

As you know, we are a program-revenue agency. We operate with the fees we collect from our customers, and we receive no general fund tax dollars for our operations. We currently have healthy reserves that I would like to invest in our processes to build capacity so that we can do our statutorily required work more quickly and efficiently. Our tax-neutral budget request reflects my vision for a level of service here in Wisconsin that leads the nation.

Should this committee decide to pursue an audit after this hearing, the department will work in earnest to have a positive, productive relationship with this committee and the Legislative Audit Bureau, just as we have with members of the Legislature, various committees, legislative staff, legislative service agencies,

professional organizations, and stakeholders, including license and credential holders, as well as other key partners. We will continue working to provide relevant information expeditiously while still balancing our foremost priority, which is the efficient and effective processing of applications and renewals with the level of service our customers demand and deserve.

Once again, I have appreciated the opportunity to share with you the progress that has been made and the steps we are taking to sustain that progress.

TESTIMONY BY MARC HERSTAND, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF SOCIAL WORKERS, WISCONSIN CHAPTER, BEFORE THE JOINT LEGISLATIVE AUDIT COMMITTEE ON FEBRUARY 7, 2023

Senator Wimberger, Representative Wittke and members of the Joint Legislative Audit Committee.

I appreciate the opportunity to present testimony regarding the proposed audit of professional license processing by the Department of Safety and Professional Services.

As the Executive Director of the National Association of Social Workers, Wisconsin Chapter, over the last thirty years, I have had extensive experience with the Department's processing of licensing applications. One constant issue that I have seen over this time period is the chronic understaffing of the Department, which has resulted in very lengthy processing times for licensing applications and great difficulties in reaching the Department for information or assistance. I remember speaking to the one staff person serving all the social work applicants about 8 years ago and she told me she was six weeks behind on responding to emails and phone calls. I have spoken to previous DSPS Secretaries and "Executive Directors" over the last 30 years who have told me that the Administration "siphoned off" a large amount of their credential fee revenue for the general fund, which led to their understaffing. The worst period of delays in licensing processing and understaffing, however, has taken place over the last two years, primarily before the implementation of licenseE in May 2022.

During this period, I received an average of 2-3 contacts per week from social workers who were having extreme difficulty getting licensed. The situations were extremely frustrating. I had members lose jobs they were offered, not able to apply for positions they wanted or forced to do a lower level of work at their agency because they were not officially licensed. Agencies had to set up waiting lists for clients needing mental health services, because of this backlog of applications. I have heard from social workers from other states who wanted to move to Wisconsin and go to work here but were stymied by huge delays in the processing of their application. Social workers told me of their experience being on hold for hours, leaving repeated messages and sending repeated emails to no avail.

The understaffing issue I referenced above worsened exponentially over the last five years. As reported in the December 8, 2021 article in the Milwaukee Journal/Sentinel, although the number of applications had more than doubled, the credentialing staff barely grew. Ironically, through the credential holder fees, the department receives plenty of money to hire the staff needed to answer phone calls, email messages and process applications promptly. However, through a legal quirk, the department is required to obtain "position authority" to hire staff. In the 2021-2023 budget,

Governor Evers requested position authority for 12 new staff, which would have greatly helped clear up the backlog in applications. The Wisconsin Council on Mental Health, a statewide non-partisan group that provides recommendations to state government on the needs of people with mental illness, sent a letter to the Joint Finance Committee asking them to support this request. However, inexplicitly, the Joint Finance Committee only agreed to one position. As one of DSPS's credential holders, I would expect that my fees would go to providing the department with the staff they need to promptly process applications. This has clearly not taken place.

To use an analogy, if a business found its customer base doubling in size, as soon as possible, they would hire the staff they needed to serve the increase in customers. In this situation, you have a State Department that has experienced a doubling in initial applications over five years, has plenty of money to hire the staff they need to handle this increase in applications, but is blocked from doing so by the State Legislature. This action makes no rational sense.

The implementation of licensE has made a big difference in the application backlog. I also understand that the Department "borrowed staff" from other departments and used some ARPA monies to help clear up the backlog. As a result of the implementation of LicensE and the efforts of the Department to clear the backlog, I am currently only receiving a few contacts per month regarding licensing processing issues, compared to 2-3 per week last year.

Although the backlog of applications was terrible and unacceptable last year, I do have to give DSPS credit for trying to do their best with a woefully understaffed department. This is the first administration in the last thirty years that has reached out to our organization asking for suggestions on how to improve operations. They have reached out repeatedly and have been open to my suggestions.

Although the licensing processing situation is tremendously better now, it is my hope that the State Legislature allows the Department to hire the staff they need with their own money, so we don't have these backlogs again. In addition, there are a few legislative proposals I am pursuing, including a possible Social Work Compact and a Universal Licensing Recognition bill that can also make a difference.

Thanks for this opportunity to testify. I am happy to answer any questions.

Marc Herstand, MSW CISW
Executive Director, NASW Wisconsin Chapter



**OUR MISSION: TO BE AN ADVOCATE FOR MEMBERS,
FACILITATING RELATIONSHIPS WHICH EDUCATE,
SUPPORT AND PROMOTE THE INDUSTRY**

February 2023

The Wisconsin Housing Alliance would support an audit of the WI Dept of Safety and Professional Services. We are here to help find solutions so our members can get the services they need and deserve.

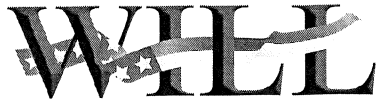
The following reasons are why we support the audit:

- Lack of follow through with Manufactured Home Community license renewals and DSPS authorized agent and errors in the eSLA system not allowing communities to renew their license.
 - Not letting communities know that they would have to create an eSLA account to get notified on their license renewal. A letter sent to communities with their 2020 license renewal stated they "may" make an eSLA account.
 - When the first group of licenses switched over to eSLA, licensees were not informed of this changed which led to contactors not being able to pull building permits.
- Major issues with manufactured home Certificate of Titles not being issued but checks being cashed months before a title is issued.
 - DSPS refusing to create a title when the home is going on private land.
 - DSPS refusing to create a title for a home put on private land even though the home's lienholder requires it.
 - DSPS's expectation that their customers do most things electronic but do not allow for a complete electronic titling system.
- Lack of response when customers communicate with DSPS.
 - Customers can be on hold for over 2 hours and then just to get disconnected.
 - Many customers get no response for messages left on the DSPS voicemail system.
 - Many customers get no response from emails they send to DSPS.

The Wisconsin Housing Alliance can provide more specifics on these issues if the committee so desires.

Respectfully Submitted,

Angie Diedrich
Finance Director



WISCONSIN INSTITUTE
FOR LAW & LIBERTY

To: Joint Legislative Audit Committee

From: Kyle Koenen, Policy Director at Wisconsin Institute for Law & Liberty

February 7, 2023

RE: Proposed Audit of Professional License Processing

Thank you Co-Chairs Wimberger, Wittke and members of the committee for allowing me to submit testimony today. My name is Kyle Koenen and I am the Policy Director of the Wisconsin Institute for Law & Liberty, a non-profit law and policy center based out of Milwaukee. I am writing in support of the proposed legislative audit of professional license processing at the Department of Safety and Professional Services (DSPS). This audit is necessary to uncover the root causes of the backlogs at DSPS and to ensure that the agency is effectively serving the needs of Wisconsin citizens. The findings of this audit will provide valuable insight into the efficiency and effectiveness of DSPS and the steps that need to be taken to resolve the ongoing backlogs.

In March 2022, WILL released *Backlogged: Licensing Delays Keep People from Entering the Workforce*, a report that examined the roots of some of the delays at DSPS and proposed a number of common-sense solutions to help address the backlog. The report revealed numerous instances of individuals experiencing delays of up to 9 months in obtaining their licensing, missing documentation, and unreturned phone calls from the department.

The report revealed a discrepancy between the agency's claim of processing licenses within 8 days¹ and a lack of tracking the processing time for each type of license. To address this, WILL recommended the establishment of a public-facing performance dashboard that displays the average processing time for each license category, thereby setting realistic expectations for applicants and promoting transparency in the agency's operations. This recommendation was approved in December by the Legislative Council Study Committee on Occupational Licenses as part of its proposed reform package.

Although we believe that the current audit scope covers a comprehensive range of issues at DSPS, we respectfully request clarification on the processing time for out-of-state license applications. We believe that this can be achieved without changing the scope of the audit, but by ensuring that the Legislative Audit Bureau includes this analysis under the following bullet point:

¹ 2021-23 Biennial Budget Request from DSPS included an agency goal of 7-10 days for license processing time. DSPS reported that they processed licenses within 8 days in that budget request.

- Review the license applications and renewals awaiting processing, the average wait time for processing, and the factors that affect wait time.

Anecdotally, numerous licensed individuals who move to Wisconsin have reported facing bureaucratic barriers that extend the processing time of their licenses. Having accurate data on the extent of this issue would be valuable for lawmakers as they evaluate policy solutions aimed at making Wisconsin a more welcoming place for those relocating for work. This could include the implementation of universal license recognition laws, which allow individuals to transfer their existing license from another state without facing significant bureaucratic barriers and delays. To date, 19 states have passed a universal license recognition law.

Wisconsin faces a unique set of demographic challenges, characterized by low migration and population growth, as well as a rapidly aging workforce. These trends threaten to limit the state's future economic growth and competitiveness. Wisconsin is in competition with all fifty states for skilled workforce. In recent years, many states have taken steps to lower licensing barriers and enacted significant occupational licensing reforms with bi-partisan support. If Wisconsin wants to remain competitive, it must not only improve efficiency at DSPS, but also take bold steps to significantly reduce occupational licensing barriers. This audit is an important step in that direction. We respectfully urge the committee to adopt the scope statement with the one-clarification referenced above. Thank you for your time and attention to this matter.

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