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TO: Assembly Committee on Regulatory Licensing Reform
FROM: Senator Rob Stafsholt
DATE: May 10, 2023
SUBJECT: Testimony in Favor of Assembly Bills 200, 201, 202 & 206

Thank you, Chairman Sortwell and members of the Assembly Committee on Regulatory Licensing Reform, for allowing me to submit testimony in favor of Assembly Bills 200, 201, 202 and 206.

Over the last couple of years, I have heard from many frustrated constituents that are dealing with unnecessary delays, confusion and lack of communication while attempting to get an occupational license from the Department of Safety and Professional Services (DSPS). These unnecessary delays cause individuals to postpone starting their careers or stops them from entering the workforce. Wisconsin businesses are struggling to find qualified workers so we need to ensure our licensure process is streamlined and functions efficiently. We cannot afford to fall behind other states in attracting skilled individuals to live and work in our state.

In response, leadership created the Legislative Council Study Committee on Occupational Licenses, and Representative Sortwell and I were appointed as Chair and Vice-Chair. The study committee was created with the goal of finding solutions so current and future license holders can be licensed in a timely manner. In other words, we were tasked with finding long-term solutions that will fix the problems plaguing DSPS.

Through our conversations with licensed professionals, research and policy groups, and the Department of Safety and Professional Services, our study committee focused our bill recommendations on three primary issue areas: data tracking, workload simplification, and reciprocal credentialing.

Assembly Bill 200 and 201 fall under the area of data tracking. The committee felt it was important to have a better handle on the numbers. The committee recommended two bills for introduction: Assembly Bill 200, which requires DSPS to include credential processing data in the report it submits to the Legislature every two years; and Assembly Bill 201, which requires DSPS to update processing time information on its website every month, so that a person submitting a credential application can anticipate the time for processing. These both require some basic information, such as the number of applications submitted and the median amount of time it's taking to process the applications.

For the second issue area, the study committee looked at ways it could help DSPS and applicants have a simpler process, while maintaining integrity in the review of applications. Assembly Bill 202 falls in this issue area. The bill seeks to reduce the workload needs in reviewing a person's criminal conviction record.

For the third issue area of reciprocal credentialing, the study committee recommend Assembly Bill 206, which requires DSPS to post on its website whether other states' credentials for health care professions would qualify a person to obtain a reciprocal health care credential in Wisconsin.

Study committee members broadly supported all of these bills and recommended them for introduction. We felt like these bills would improve processes and oversight. Thank you for your support of these bills and feel free to reach out with any questions.



Testimony in Favor of Assembly Bills 200, 201, 202 & 206

Assembly Committee on Regulatory Licensing Reform

May 10, 2023

Thank you Chairman Sortwell and members of the committee for accepting my testimony in favor of Assembly Bills 200, 201, 202 and 206 today. I would also like to thank all of the members of the Legislative Council Study Committee on Occupational Licenses for their time and dedication to the study committee process that brought forward these important solutions. My name is Kyle Koenen and I am the Policy Director at the Wisconsin Institute for Law & Liberty.

In March 2022, WILL released [*Backlogged: Licensing Delays Keep People from Entering the Workforce*](#), a report that outlined some basic solutions that would bring more transparency and accountability to the well-documented license backlogs at the Department of Safety and Professional Services (DPS). Included were recommendations for the agency to set their processing goals and track them in a public facing performance dashboard. In preparing this report, WILL requested that the agency provide data showing the processing time for licenses in each licensing category. DPS responded that they were unable to provide this information because they did not track it at the time.

This was perplexing because in their 2021-23 Biennial Budget Request, DPS indicated that they were processing licenses in both 2019 and 2020 within 8 days on average, well within their goal range of 7 to 10 days. However, in their October 2022 report to the Legislative Council Study Committee on Occupational Licenses, DPS reported that the actual processing time during these two years were 74 and 86 days respectively. This discrepancy indicates that at the time, perhaps DPS did not take the role of measuring performance all that seriously.

For DPS to truly tackle the backlog issue in the long run, they must implement performance-based systems based on measurable goals and outcomes. These bills go a long way towards providing the data that will encourage a culture of performance and execution at DPS, while also removing some of the key bureaucratic hurdles that prevent people from entering the workforce in a timelier manner. They will also provide the legislature and public with the information needed to exercise their oversight role and continually hold the agency accountable.

Assembly Bill 200

Assembly Bill 200 would require DPS to include a number of important metrics in their biennial report to the Legislature. It requires the department to report the following:

- The lowest, highest and median number of days from an applicant's initial license application to the day that it is decided for each license category.

- The median number of contacts made by an applicant to the department before a credential is issued for each license category.
- The number of applications for initial, renewal, and reciprocal credentials that DSPS requests additional information.
- Finally, the number of applications for each license category which some form of legal review by the agency.

All of these metrics will help DSPS identify areas of need, so they can efficiently deploy staffing resources where deficiencies exist. This report will also give lawmakers the necessary information to pinpoint potential choke points in the process. Some of these choke points could be the result of unnecessary regulations that may play little role in protecting the public. This report could give lawmakers direction to further investigate these potential barriers, so they could take action to eliminate them.

Assembly Bill 201

Much like the previous bill, Assembly Bill 201 would provide the DSPS leadership team, the public and the legislature with timely information regarding license processing times. By requiring the agency to report both the incoming applications and final determinations, interested parties would have up-to-date information on whether the agency is making progress eliminating backlogs or whether the backlog is worsening. It will also give real-time information that will allow the agency to direct resources and staff to credential areas that have amassed a backlog of applications.

Assembly Bill 202

Assembly Bill 202 makes reasonable changes to DSPS's process for handling applications for individuals that have minor offenses on their record such as an underage drinking or a first-offense OWI that is more than 5 years old. These types of cases bog down the legal review process at DSPS, contributing to backlogs and preventing otherwise qualified people from entering the workforce in a timely manner. It is also my understanding that these offenses rarely result in a license denial, so this bill will allow the department to work more efficiently and focus on applications with more serious offenses.

The bill also allows employers to attest that their employee does not have a conviction record that would preclude them from receiving a license. Employers already conduct background checks on prospective employees, so this process would reduce duplication in the employment process.

We would like to flag one provision for the committee's consideration. Subsection 440.03(13)(bx) requires the department to promulgate rules to implement the bill. As written, the bill outlines the duties and powers of DSPS in a clear-cut manner, putting into question the necessity of this provision. We'd encourage the committee to consider removing this provision. The power to write laws is an incredible power that the people of Wisconsin elected the

legislature to engage in. If you are going to give that power away to unelected bureaucrats, you should do so in the most limited and specific means possible.

Assembly Bill 206

With stagnant population growth and low in-migration, Wisconsin is facing growing demographic challenges that will threaten our state's ability to thrive in the long run. Unfortunately, licensing requirements can vary from state to state. This forces otherwise qualified individuals to retake tests or in some cases return to school to meet their new state's requirements. To be competitive with other states, we must do everything we can to remove barriers to attracting additional talent and workforce to the state. Assembly Bill 206 takes a reasonable step towards accomplishing this goal by requiring DSPS to be transparent about whether another state's licensing requirements are "substantially equivalent" to Wisconsin's. If they are not, then DSPS must be forthcoming about what an applicant would need to do to become licensed.

This is an important step to give an applicant greater certainty but doesn't go far enough. First, we'd recommend that the bill be amended to extend this analysis beyond health care professions. Many other professions are also experiencing shortfalls and would benefit from this legislation. Second, it doesn't address the underlying problem of requiring experienced licensed professionals from other states to jump through hoops to become licensed in Wisconsin. We hope the committee will consider a universal license recognition law in the near future to address the larger issue at hand.

Thank you for your time and consideration today. I'd be happy to answer any questions.



DATE: May 10, 2023
TO: Assembly Committee on Regulatory Licensing Reform
FROM: Mike Tierney, Legislative Liaison, Department of Safety and Professional Services
RE: Assembly Bill 200 - Biennial report on various metrics related to the issuance of occupational credentials

Good afternoon,

Thank you for the opportunity to submit this testimony on Assembly Bill 200.

The Department has made strides with licensing and has a great story to share about its progress. Despite record volume of applications, the Department is issuing more licenses, more quickly than in any point in the past seven years. This is the result of creative problem solving, process improvement efforts, as well as significant investments in technology and—thanks to Governor Evers’ allocation of ARPA funding—people. Once the Department completes the multi-year technology modernization that is currently underway, it will be in a position to offer increasingly useful, actionable metrics and information to applicants and other stakeholders.

That said, the Department already produces a biennial report for the Wisconsin legislature, and this report contains information about all of the Department’s divisions and programs. Antiquated, manual legacy systems previously limited the Department’s reporting capabilities, but future reports will reflect the enhanced capabilities of modern software and processes.

The Department launched LicensE in May 2022 with 72 health care occupations. Since then we have refined the platform and added enhanced functionality in some areas, including nursing—our largest license group. On Monday, May 8, we added more than 60 business occupations to the platform. Now individuals in all those fields have a modern, transparent license application and renewal system.

We understand the interest in data about the Department. Certain metrics, for example, can give applicants meaningful information that can help them successfully and efficiently navigate the process. One purpose of publicly communicating certain data is to provide applicants with relevant information. Data can also help applicants plan for the process and prioritize their efforts. It also helps establish reasonable expectations for both applicants and staff.

We already have experience with this. For example, we have a dashboard in our Division of Industry Services which provides submitters with meaningful information about plan review timelines and the volume of plans received. This enables them to better manage their time and projects.

However, the bill, as introduced, requires the Department to report on arbitrary metrics that will not offer meaningful information to applicants.

I will focus on three of metrics described in the Legislative Reference Bureau summary.

1. “The lowest, highest, and median number of days from the day that an application for initial, renewal, or reciprocal credential is initiated to the date that a final determination is made. DSPS must also separately report these numbers for applications in the health professions, business professions, trades professions, all other professions, and each profession individually.”

There are multiple factors that influence the timing of every application. For example, when this committee met previously, a gentleman who applied for a Licensed Clinical Social Work credential appeared before the committee and testified regarding his licensing delay. He testified that he had been waiting months upon months for a credential. Upon closer inspection we found that he had been authorized to take his national and jurisprudence exams in June 2021. He sat for the jurisprudence exam on December 26, 2021, and took the national exam in the spring of the following year. There was nothing the Department could do in all those months to move the process along. The applicant was completely in control of that timeline—which is his prerogative. But to suggest that the timing was in any way reflective of Department efficiency is entirely disingenuous. And to select these kinds of outlier applications and suggest that they are somehow predictive of future applicants’ experience is misleading. Someone who is motivated to be licensed and who completes requirements in more typical timeframes would have a vastly different experience. Publishing information that is not predictive of the actual application experience could harm Wisconsin’s competitiveness in the labor market.

2. “The median number of contacts made to and received from an applicant for an initial, renewal, or reciprocal credential before a final determination on the applicant's credential is issued. DSPS must also separately report these numbers for each profession.”

The number of times an individual applicant contacts the Department is dependent on myriad factors and offers little predictive value to other applicants. Individuals who submit all required materials without error will have a different experience than someone who makes mistakes or provides the wrong documentation. An individual who has transferred schools will have more documents to submit and more opportunity for questions. An individual who had moved from another jurisdiction where they held a license would have questions that a first-time initial applicant would not. Further, an individual who is preparing to apply may have questions and contact the department. Those contacts could not be recorded in an applicant file, because there is no applicant file until someone submits an application. The reality is that many applicants have questions about the process. They have invested significant time, effort, and money into pursuing a given career path, and they do not want to make a mistake. Also, there are applicants who do not ask questions but do make errors, which require interaction with staff to resolve. Further, there are individuals who move through the process with no need to call or email. Finally, a minority of applicants are frequent callers and emailers for a variety of reasons.

Because we recognize that some applicants have more questions and need more assistance, Governor Evers’ budget included 14 additional call center staff as well as license navigator positions to assist people who need more help. Rather than diverting existing staff time from license evaluation and processing to counting calls and emails, it makes far more sense to invest in staff at a level necessary to ensure that all qualified applicants move through the system efficiently and successfully. The Joint Finance Committee has at this point removed the navigators from the budget, and yet returning these positions would yield meaningful outcomes for many, many applicants. Counting calls and emails offers limited, if any, value and certainly does not yield any information that helps any applicant plan for or navigate the process.

3. “The number of applications for initial, renewal, and reciprocal credentials for which DSPS or a credentialing board requested more information. DSPS must also separately report these numbers for each profession.”

When a person initiates the application process, either by endorsement or examination, staff then prepare an application checklist. This checklist tracks documents and application status. Wisconsin is a primary-source state, which means that some documents must come from the originating institution. A college must provide a transcript. A test center must provide a test result. For most applications, additional documentation arrives after initial application and payment. Upon renewal, an applicant reporting a conviction or name change will result in requests for information from the Department. This data point offers no apparent value to applicants but does create additional work for staff, and this additional work would divert them from actual license application review and processing.

Further, while some of this reporting potentially could be automated, this bill contains no funding for necessary software modifications. It contains no funding for additional staff reporting activity. Nor does the bill contain a delayed effective date to ensure the software is built and in place. The bill is also silent on the staffing needed to gather the data necessary to produce the data required for the report. As such, it would potentially delay licensing for all applicants by requiring staff to spend time assembling information for a report that applicants might never even read.

Again, the Department has a great story to tell. While the volume of applications is far greater than at any time in the Department’s past, the fact is that we are issuing far more credentials than ever before. We now receive contacts from other states that recognize our success and seek out our advice. In the biennial reports that we produce moving forward the data presented will not be arbitrary, but data that will demonstrate to employers and applicants how well the system we now have in place enables them to have a level of success they could not achieve before.