



STATE OF WISCONSIN

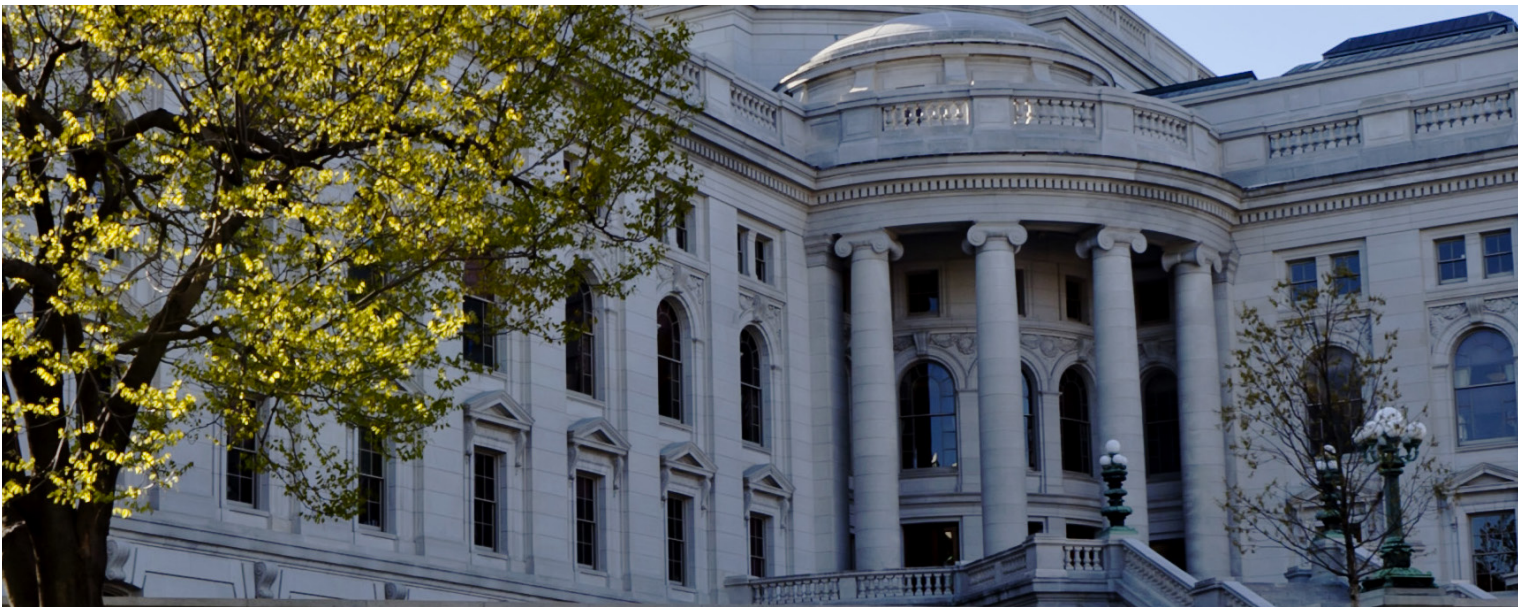
Legislative Audit Bureau

NONPARTISAN • INDEPENDENT • ACCURATE

Report 23-24
December 2023

Administration of Professional Credentials

Department of Safety and Professional Services



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Administration of Professional Credentials

Department of Safety and Professional Services



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Legislative Audit Bureau

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December 19, 2023

Senator Eric Wimberger and
Representative Robert Wittke, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Wimberger and Representative Wittke:

As requested by the Joint Legislative Audit Committee, we have performed an evaluation of how the Department of Safety and Professional Services (DSPS) administered credentials. DSPS is statutorily responsible for ensuring the safe and competent practice of credentialed professionals in Wisconsin, including those in the healthcare and business professions and the trades.

The number of initial credentials issued by DSPS increased from 28,800 in fiscal year (FY) 2019-20 to 43,500 in FY 2022-23 (51.0 percent). In FY 2022-23, the average amount of time to issue initial credentials decreased considerably from prior years. We reviewed the files for 100 applications for initial credentials that DSPS accepted in LicenseE from May 2022 or later and that resulted in healthcare credentials issued through May 2023. We found that, on average, 25.5 percent of the time to issue the credentials was attributable to DSPS reviewing information applicants or third parties had submitted, 35.0 percent of the time was attributable to applicants needing to submit required information, and 39.5 percent of the time was attributable to DSPS and applicants simultaneously waiting for each other.

DSPS is funded primarily by program revenue it receives from charging fees for various services. If DSPS earns more program revenue in a given year than it is authorized to spend, it accumulates surplus program revenue. At the end of FY 2022-23, DSPS had \$50.2 million in surplus program revenue. The overall amount appropriated to DSPS for credentialing steadily increased from the 2013-15 biennium through the 2023-25 biennium. The number of its authorized staff positions for credentialing decreased from the 2013-15 biennium through the 2017-19 biennium but then increased in the following three biennia.

DSPS should improve how it administers credentials, including by regularly reporting on its website information about its administration of credentials. DSPS should regularly collect information about the productivity of its staff and use this information to improve its operations. In addition, DSPS should use the productivity information as the basis for any future requests for additional staffing, IT, or other resources it believes are needed for it to administer credentials efficiently and effectively.

A response from the Secretary of DSPS follows our report.

Respectfully submitted,

Joe Chrisman
State Auditor

JC/DS/ag

Introduction

DSPS is statutorily responsible for ensuring the safe and competent practice of credentialed professionals in Wisconsin.

The Department of Safety and Professional Services (DSPS) is statutorily responsible for ensuring the safe and competent practice of credentialed professionals in Wisconsin. In August 2023, DSPS administered more than 200 types of credentials for individuals who work in healthcare professions, business professions, and the trades. Such individuals include nurses, accountants, and electricians. The credentials administered by DSPS include licenses, certifications, and registrations, which are statutorily established and represent different degrees of regulation. DSPS also provides administrative services and policy assistance to the 29 credentialing boards that are responsible for regulating certain professions, as well as a number of advisory councils and committees that do not have regulatory authority. Many credentialing boards are responsible for regulating multiple types of credentials.

Statutes and administrative rules establish varying requirements for specific types of credentials, such as the examinations that applicants must pass and the educational requirements that applicants must complete before being issued a credential. Similarly, statutes and administrative rules specify criminal charges and convictions that bar applicants from being issued particular types of credentials. Statutes and administrative rules do not specify the maximum number of days within which DSPS must decide whether to issue credentials to applicants.

In fiscal year (FY) 2022-23, DSPS was appropriated \$62.5 million. DSPS is funded primarily by program revenue, including from the fees individuals pay when applying for credentials and renewing their credentials. In January 2023, DSPS was authorized a total of 254.1 full-time equivalent (FTE) positions for permanent and project

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staff, including 55.1 FTE positions for credentialing activities and 12.0 FTE positions for a call center that individuals can contact in order to obtain information about credentialing requirements and related issues.

In May 2022, DSPS began accepting applications for healthcare credentials in LicensE, which is an online credentialing system.

In May 2022, DSPS began accepting applications for healthcare credentials in LicensE, which is an online credentialing system that DSPS intends to use as a replacement for multiple legacy systems. In May 2023, DSPS began accepting applications for business credentials in LicensE. DSPS indicated it plans to begin accepting applications for trades credentials in LicensE by the end of 2023.

The 2022 Legislative Council Study Committee on Occupational Licenses reviewed aspects of DSPS's administration of credentials and recommended legislation for introduction by the Joint Legislative Council. The legislation would require DSPS to include certain credentialing information in its biennial report and on its website, allow DSPS to change how its legal staff review relevant information pertaining to applicants for credentials and credentialed individuals who have arrest or conviction records involving minor offenses, increase the amount of time that credentials remain valid before individuals need to renew them, and revise certain aspects of how DSPS processes applications for credentials. As of November 2023, the Legislature continued to consider several bills that had been introduced by the Joint Legislative Council, the Governor had vetoed two bills, and 2023 Wisconsin Act 33 clarified the renewal dates of credentials.

Questions have been raised about DSPS's administration of credentials.

Legislators and other individuals have raised questions about DSPS's administration of credentials, including the amount of time it took DSPS to issue credentials in recent years and the extent to which individuals were able to contact DSPS's call center and obtain credentialing information. Additional questions were raised when DSPS did not provide the Legislative Council Study Committee with the average amount of time it took to issue each type of credential. In October 2022, DSPS informed the committee it could not provide this information and instead provided the average amounts of time it took to issue all healthcare credentials and all business credentials.

To complete this evaluation of DSPS's administration of credentials, we:

- contacted six organizations involved with credentialing issues;
- contacted the chairpersons of the credentialing boards associated with the 10 types of healthcare credentials held by the most individuals in February 2023;

- interviewed DSPS about how it administers credentials and observed DSPS staff while they administered applications for credentials;
- analyzed the available data about the numbers of credentials issued from FY 2019-20 through FY 2022-23;
- reviewed DSPS’s electronic files for 100 credential applications that DSPS accepted in LicenseE from May 2022 or later and that resulted in credentials issued through May 2023;
- examined changes to the amounts of funding appropriated to DSPS and the numbers of staff positions authorized to DSPS from the 2013-15 biennium through the 2023-25 biennium in order to administer credentials;
- analyzed information in the State’s accounting and payroll systems about DSPS’s expenditures, revenues, and staffing levels from FY 2019-20 through FY 2022-23;
- considered 11 reports that were filed with our Fraud, Waste, and Mismanagement Hotline and that pertained to DSPS’s administration of credentials, as well as credentialing-related concerns raised by 2 individuals who contacted us; and
- assessed ways that DSPS could improve how it administers credentials.

DSPS did not consistently provide in a timely manner the information we requested.

DSPS did not consistently provide in a timely manner the information we requested. For example, we first requested DSPS’s draft policies in late-March 2023. In December 2023, DSPS provided us with four written policies that it had developed after our March 2023 request and that pertained to how it administered credentials. Because of the time and effort it took us to obtain the information that we did receive from DSPS, we did not perform additional analyses, such as those pertaining to credential renewals. In June 2023, DSPS first allowed us to interview its managers without an official from the Secretary’s Office present, and at least one official from the Secretary’s Office or a manager was present on the few occasions when DSPS allowed us to interact with its nonmanagerial employees.

Credentialing Expenditures

In FY 2022-23, DSPS spent \$11.2 million on credentialing activities.

As shown in Table 1, DSPS spent \$11.2 million on credentialing activities in FY 2022-23, including \$4.8 million (42.9 percent) on salaries and fringe benefits.

Table 1

DSPS's Expenditures for Credentialing Activities in FY 2022-23, by Type (in millions)

Type	Amount	Percentage of Total
Salaries and Fringe Benefits	\$ 4.8	42.9%
Administration ¹	3.4	30.4
Information Technology	3.0	26.8
Equipment and Supplies	<0.1	<0.1
Total	\$11.2	100.0%

¹ Includes expenditures for non-IT consultants and contractors, overhead, and credit and debit card processing fees.

Credential Application Process

An individual seeking an initial credential must submit an application to DSPS for a specific type of credential, pay an application fee, and fulfill all requirements specified by DSPS or the relevant credentialing board. Typically, an applicant must submit a variety of information, such as proof of having completed relevant professional education courses, proof of having passed one or more credentialing examinations that may involve written and practical tests, proof of possessing an active credential issued by another state, and information about any misdemeanor or felony charges or convictions. Applications for some credentials require third parties, such as universities, to submit transcripts and other information directly to DSPS.

The amount of time to issue a credential depends on how quickly an applicant or third party submits all required information and how quickly DSPS reviews this information.

Figure 1 shows the key steps in the application process for an initial credential. After an applicant initially submits information, DSPS reviews this information. If during the initial review of the submitted information DSPS determines that all credentialing requirements have been completed, DSPS determines whether to issue a credential. If during the initial review DSPS instead determines that certain information is inaccurate or incomplete, DSPS informs the applicant, who can submit any additional required information or correct previously submitted information. An applicant can submit additional information to DSPS multiple times. The amount of time to issue a credential depends on how quickly an applicant or a third party submits all required information and how quickly DSPS reviews this information.

Most initial credentialing requirements can be completed at any time during the process. For example, if an applicant submits a portion of the information required by DSPS or the relevant credentialing board, DSPS can review this information while awaiting the submission of additional information. However, some requirements must be completed before others can occur. For example, applicants must request approval from DSPS before taking certain credentialing examinations.

Some applications involve a legal review conducted by DSPS's legal staff and, in certain situations, the relevant credentialing board. A legal review may occur if an applicant possesses an active credential issued by another state, which may allow an individual to be credentialed in Wisconsin without needing to complete all of the typical credentialing requirements. In addition, a legal review may occur if an applicant discloses misdemeanor or felony charges or convictions. DSPS may determine whether an applicant is eligible for a credential, or it may provide information to the relevant credentialing board to determine an applicant's eligibility. DSPS may issue a restricted credential that includes limitations, such as requiring an individual to practice under the supervision of another credentialed individual. If DSPS deems such limitations insufficient to protect public safety, DSPS does not issue a credential. Credentialing restrictions or denials can be appealed to an administrative law judge.

Figure 1

Key Steps in the Initial Credentialing Process¹



¹ The credentialing process for some types of credentials varies.

Statutes require individuals to renew their credentials periodically. For example, individuals must renew their healthcare and business credentials every two years by dates that are established in statutes. If individuals submit timely applications for renewal, complete all requirements for continuing professional education, pay renewal fees, and indicate they remain eligible for a credential, DSPS renews the credentials. If individuals disclose recent felony or misdemeanor charges or convictions, DSPS reviews the relevant information to determine continuing eligibility. In some cases, DSPS provides relevant information to the appropriate credentialing board to determine continuing eligibility.

If a complaint alleging misconduct or other inappropriate behavior has been filed against an individual renewing a credential, DSPS indicated it does not approve the renewal until after its legal staff and the relevant credentialing board have investigated the complaint. During an investigation, an individual's credential remains active. After an investigation, DSPS may renew a credential, decline to renew it, or place restrictions on it.

Credentialing board chairpersons we contacted believed LicenseE had improved the credentialing process, but most had concerns with DSPS's administration of credentials.

We contacted the chairpersons of the credentialing boards associated with the 10 types of healthcare credentials held by the most individuals in February 2023. Some of these boards oversee multiple types of credentials. All seven chairpersons we contacted believed the implementation of LicenseE had improved the credentialing process, including by reducing the amount of time to process applications, improving communication between DSPS and applicants, and improving the ability of board members to fulfill their responsibilities. However, five of the seven chairpersons described concerns with DSPS's administration of credentials, such as applicants having difficulties contacting DSPS and a lack of sufficient information about the amount of time it takes DSPS to issue credentials. Two of the seven chairpersons indicated DSPS lacks adequate staff to process applications or respond to communications from applicants.

■ ■ ■ ■

Administration of Credentials

We used the available information to assess DSPP's administration of credentials.

We used the available information to assess DSPP's administration of credentials. The number of initial credentials issued by DSPP increased from 28,800 in FY 2019-20 to 43,500 in FY 2022-23 (51.0 percent). In FY 2022-23, the average amount of time to issue initial credentials decreased considerably from prior years. We reviewed DSPP's files for 100 applications for initial credentials that DSPP accepted in LicenseE from May 2022 or later and that resulted in healthcare credentials issued through May 2023. We found that, on average, 25.5 percent of the time to issue the credentials was attributable to DSPP reviewing information applicants or third parties had submitted, 35.0 percent of the time was attributable to applicants needing to submit required information, and 39.5 percent of the time was attributable to DSPP and applicants simultaneously waiting for each other. We recommend DSPP improve its administration of credentials, including by developing comprehensive written policies.

Policies

DSPP did not have comprehensive written policies for administering credentials.

We found that DSPP did not have comprehensive written policies for administering credentials. On February 23, 2023, we requested that DSPP provide its written policies for administering credentials. On March 8, 2023, DSPP provided its written policies for some aspects of administering credentials and indicated it had drafted additional policies but had not yet finalized them. On March 31, 2023, we first requested that DSPP provide us these draft policies. In December 2023, DSPP provided us with four written policies it had developed from July 2023 through September 2023. However, the policies provided to

us during our audit did not comprehensively indicate how DSPS administers credentials.

DSPS should develop comprehensive written policies for administering credentials and train its staff to consistently follow these written policies. Such policies should specify how DSPS will consider information submitted by applicants, the actions DSPS will take if the submitted information is inaccurate or incomplete, and how DSPS will determine whether to issue credentials. Developing comprehensive written policies will help to ensure that DSPS consistently administers credentials, particularly when new staff are hired and need to learn how to consider information submitted by applicants. Comprehensive written policies may be particularly important given the implementation of LicenseE, which includes new procedures for considering information submitted by applicants.

Recommendation

We recommend the Department of Safety and Professional Services:

- *develop comprehensive written policies for administering credentials;*
- *train its staff to consistently follow these written policies; and*
- *report to the Joint Legislative Audit Committee by March 15, 2024, on the status of its efforts to implement these recommendations.*

Refunds of Application Fees

Although applicants must typically pass credentialing examinations, applicants for certain types of credentials are not required to do so if they possess active credentials issued by other states that have credentialing requirements sufficiently similar to Wisconsin's requirements, as determined by DSPS or a credentialing board. In these situations, applicants apply through a method in LicenseE that differs from the typical method used by those who do not possess active credentials issued by such states.

DSPS required some individuals to pay the credential application fee twice.

We found that DSPS required some individuals to pay the credential application fee twice. Some individuals who possess active credentials issued by other states may submit their application information by using the typical method in LicenseE but subsequently learn that they should use the alternative method that does not require them to pass a credentialing examination in Wisconsin. When this occurs, LicenseE requires individuals to submit new applications and pay the application fee again. DSPS officials indicated DSPS's practice is to refund the fees only if individuals request refunds in writing. The application materials

we reviewed did not notify applicants that refunds were available in such situations, and DSPS did not have comprehensive written policies that would provide its staff with definitive guidance on how to proceed when individuals used an incorrect application method. The available information did not allow us to determine how frequently individuals paid application fees twice.

DSPS should develop written policies that require it to refund application fees paid by individuals who used an incorrect application method and train its staff to consistently follow these written policies. Requiring individuals to discern that they must request refunds in writing may result in some individuals not seeking refunds.

Recommendation

We recommend the Department of Safety and Professional Services:

- *develop written policies that require it to refund application fees paid by individuals who used an incorrect application method;*
- *train its staff to consistently follow these written policies; and*
- *report to the Joint Legislative Audit Committee by March 15, 2024, on the status of its efforts to implement these recommendations.*

Initial Credentialing Trends

DSPS provided incomplete credentialing data to us.

On April 3, 2023, we first requested DSPS provide data on the numbers and types of credentials it had issued in recent years through its four credentialing systems. Over the next four months, DSPS on multiple occasions provided incomplete credentialing data. Not until July 27, 2023, did DSPS provide data from all four credentialing systems, but these data were incomplete because they did not include all requested information for the entire time period we analyzed. On May 2, 2023, we first asked DSPS about data it had provided, but DSPS did not answer many of our questions. We used the provided data to complete basic analyses of credentialing trends. However, we could not complete additional analyses, such as those pertaining to credential renewals, because of the amount of time it took DSPS to provide the incomplete data and because DSPS did not answer many of our data questions. Because the data were incomplete, our analyses exclude certain credential types for the last two months of FY 2022-23 and applications for approximately 11 types of trades credentials.

The data DSPS provided to us contained information about certain credentials that we excluded from our analyses, including credentials issued to accounting and other firms and temporary credentials that

were issued in relation to the public health emergency. We excluded these credentials in order to concentrate our analyses on the typical types of credentials that DSPS issued to individuals.

Outcomes of Initial Credential Applications

The number of applications for initial credentials that DSPS received steadily increased from 36,200 in FY 2019-20 to 58,200 in FY 2022-23 (60.8 percent). After receiving applications, DSPS may issue credentials either in the same fiscal year or the following fiscal years.

From FY 2019-20 through FY 2022-23, the annual number of initial credentials DSPS issued increased by 51.0 percent.

As shown in Table 2, the number of initial credentials DSPS issued increased from 28,800 in FY 2019-20 to 43,500 in FY 2022-23 (51.0 percent).

Table 2

Numbers of Initial Credentials Issued by DSPS¹

Fiscal Year	Number
2019-20	28,800
2020-21	31,900
2021-22	32,100
2022-23	43,500

¹ Based on DSPS-provided data that were incomplete.

DSPS indicated it denies applications from individuals convicted of offenses that statutorily prohibit them from holding the types of credential for which they applied. In contrast, DSPS indicated that if individuals could potentially become eligible at later dates, such as by earning college degrees, it neither approves nor denies the applications but instead leaves them open.

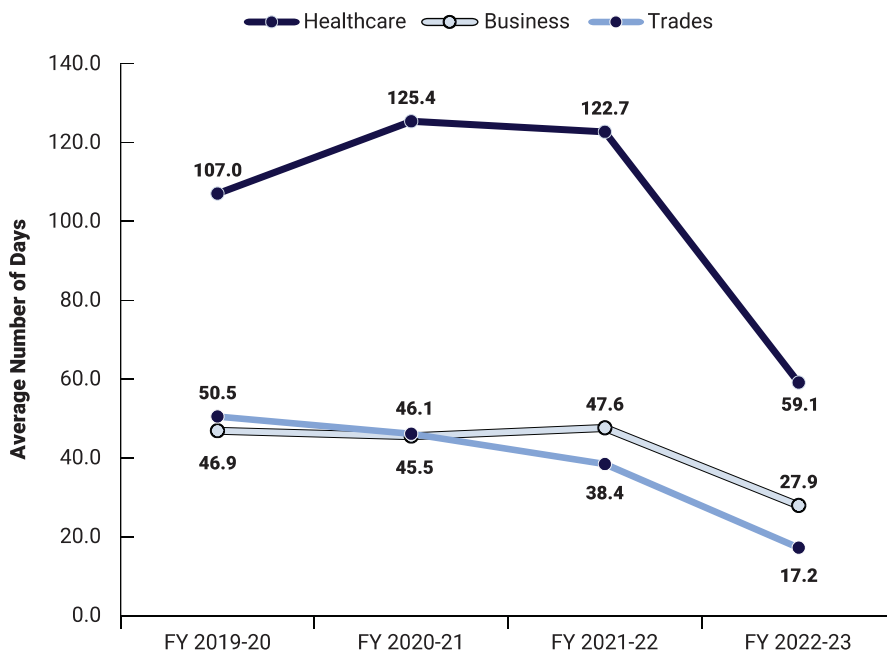
Amount of Time to Issue Initial Credentials

In FY 2022-23, the average amount of time to issue initial credentials decreased considerably from prior years.

In FY 2022-23, the average amount of time to issue initial credentials decreased considerably from prior years, as shown in Figure 2. The decrease for healthcare credentials is explained, in part, because DSPS began to process such applications through LicensE in May 2022. However, DSPS did not begin to use LicensE to process applications for business credentials until May 2023 and did not use LicensE to process applications for trades credentials. DSPS indicated additional credentialing staff in 11.0 FTE positions supported by supplemental federal funds helped to decrease the amount of time to issue credentials in FY 2022-23.

Figure 2

Average Number of Days from Initial Credential Application to Issuance¹
Applications Submitted in a Given Fiscal Year



¹ Based on DSPS-provided data that were incomplete. Includes applications submitted from July 2019 through June 2023 and issued through June 2023.

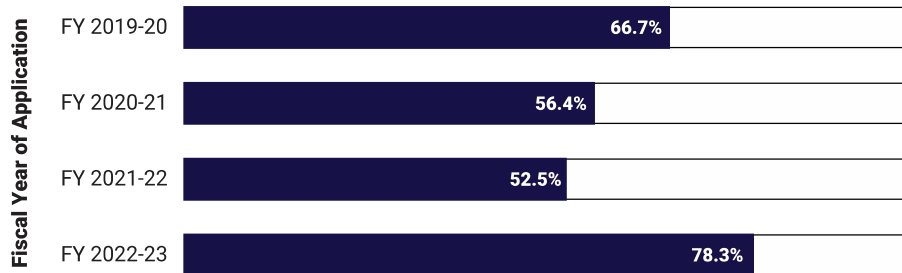
The average number of days to issue initial credentials was affected by applications that took unusually long amounts of time to issue. The median amount of time to issue healthcare credentials submitted in FY 2022-23 was 49.0 days, and for business credentials it was 14.0 days. The median amount of time to issue trades credentials was 0 days, meaning that DSPS issued at least one-half of all trades credentials on the days the applications were submitted.

In FY 2022-23, DSPS issued 78.3 percent of initial healthcare credentials within 90 days of receiving the applications.

In FY 2022-23, DSPS issued 78.3 percent of initial healthcare credentials within 90 days of receiving the applications, as shown in Figure 3. During the prior three years, this proportion had steadily decreased.

Figure 3

Proportion of Initial Healthcare Credentials Issued within 90 Days¹



¹ Based on DSPS-provided data that were incomplete. Includes applications submitted from July 2019 through June 2023, and credentials issued within one year of application and no later than June 2023.

In FY 2022-23, DSPS issued 73.0 percent of initial business credentials within 30 days of receiving the applications.

In FY 2022-23, DSPS issued 73.0 percent of initial business credentials within 30 days of receiving the applications, as shown in Figure 4. During the prior three years, this proportion had steadily decreased.

Figure 4

Proportion of Initial Business Credentials Issued within 90 Days¹



¹ Based on DSPS-provided data that were incomplete. Includes applications submitted from July 2019 through June 2023, and credentials issued within one year of application and no later than June 2023.

We reviewed available information indicating the average amount of time that other states took to issue credentials. California’s Department of Consumer Affairs reported that it took an average of 24 days in FY 2022-23 to issue initial credentials to registered nurses who had submitted all required information with their applications, and that it took an average of 101 days to issue credentials to applicants who were required to submit additional information. Florida’s Department of Health indicated that credentialing boards typically take approximately 30 days to review applications for initial credentials when applicants have submitted all required information with their applications, and that the boards typically take a total of 45 days to 50 days to review applications when applicants are required to submit additional information. After credentialing boards reviewed the submitted information, Florida reported that it took approximately 1 day, on average, to issue credentials during the first three quarters in FY 2022-23.

File Review of the Credential Application Process

Our file review of 100 applications for initial credentials determined the extent to which DSPS, applicants, or both were responsible for the amount of time it took to issue credentials.

Our file review of 100 applications for initial credentials determined the extent to which DSPS, applicants, or both were responsible for the amount of time it took to issue credentials. To do so, we selected a sample of applications for healthcare credentials that DSPS accepted in LicenseE from May 2022 or later and that resulted in credentials issued through May 2023. Our sample included 10 applications from each of the 10 types of healthcare credentials held by the most individuals in February 2023. For each type, we randomly selected applications from the one-fourth of credentials that took the longest amount of time to issue. Because our file review is not based on a statistically representative sample of all applications, it is not appropriate to extrapolate the results of our file review to all applications.

To conduct our file review, we relied primarily on LicenseE to determine the dates when DSPS received and reviewed application information, including information DSPS received by email or accessed through third-party websites and transferred into LicenseE. Because DSPS staff were able to edit the dates when they reviewed information, we cannot be certain the dates in LicenseE reflect the dates they reviewed the information. In addition, LicenseE did not specify when one or more pieces of information associated with 16 of the 100 applications first became available to DSPS for review or when DSPS was notified that information on third-party websites was available for its review. In these instances, we were unable to determine the amount of time that had passed before DSPS reviewed this information. As a result, our file review likely understates the extent to which DSPS was responsible for the amount of time it took to issue the credentials.

Our file review found that it took an average of 189.6 days to issue credentials after DSPS had received the 100 applications.

As shown in Table 3, our file review found that it took an average of 189.6 days to issue credentials after DSPS had received the 100 applications. The amount of time varied from an average of 264.0 days for pharmacists to 126.5 days for licensed professional counselors. As noted, it took DSPS an average of 59.1 days to issue all healthcare credentials in FY 2022-23.

Table 3

**File Review:
Amount of Time It Took to Issue Credentials, by Credential Type¹**

Credential Type	Number of Days		
	Minimum	Maximum	Average
Pharmacist	191.0	324.0	264.0
Social Worker	216.0	338.0	263.0
Advanced Practice Nurse Prescriber	143.0	327.0	225.5
Registered Nurse	129.0	305.0	203.5
Massage Therapist/Bodywork Therapist	147.0	238.0	190.3
Physician	151.0	292.0	189.0
Licensed Practical Nurse	121.0	192.0	157.2
Physical Therapist	100.0	232.0	147.0
Licensed Radiographer	85.0	238.0	129.9
Licensed Professional Counselor	103.0	188.0	126.5
Overall	85.0	338.0	189.6

¹ Based on our review of 100 applications accepted in LicensE from May 2022 or later and that resulted in credentials issued through May 2023. For each credential type, we randomly selected the applications from the one-fourth of credentials that took the longest amount of time to issue.

Our file review included 62 applications submitted in the first three months after DSPS began accepting healthcare applications in LicensE. DSPS indicated it had instructed its staff to review all applications that had been submitted through a legacy credentialing system before reviewing applications submitted in LicensE. These instructions may have affected the amount of time it took to issue credentials associated with the 62 applications.

We determined the extent to which DSPS or an applicant was responsible for the time it took to issue credentials. At times, DSPS and an applicant were simultaneously waiting for each other to complete separate application-related tasks. Information in LicensE did not allow

us to determine responsibility for the amount of time to issue a credential associated with 1 of the 100 applications in our file review.

Our file review found that DSPS and applicants were both responsible for the amount of time to issue credentials.

As shown in Table 4, our file review found that on average:

- 25.5 percent of the time to issue credentials was attributable to DSPS reviewing information applicants had submitted, and this equated to an average of 44.9 days per application;
- 35.0 percent of the time was attributable to applicants needing to submit additional required information, and this equated to an average of 70.8 days per application; and
- 39.5 percent of the time was attributable to DSPS and applicants simultaneously waiting for each other, and this equated to an average of 73.4 days per application.

Table 4

**File Review:
Extent to Which DSPS and Applicants Were Responsible for the Amount of Time It Took to Issue Credentials, by Credential Type¹**

Credential Type	Average Number of Days	Average Proportion of Days Attributable to:		
		DSPS	Applicants	DSPS and Applicants
Pharmacist	264.0	35.6%	47.3%	17.0%
Social Worker	263.0	18.6	58.2	23.2
Advanced Practice Nurse Prescriber	225.5	12.2	16.5	71.3
Registered Nurse	203.5	24.4	47.8	27.8
Massage Therapist/Bodywork Therapist	190.3	39.1	13.2	47.8
Physician	189.0	20.0	12.9	67.1
Licensed Practical Nurse	157.2	17.9	55.5	26.5
Physical Therapist	147.0	14.1	44.8	41.2
Licensed Radiographer	129.9	38.4	26.9	34.8
Licensed Professional Counselor	126.5	34.1	24.9	40.9
Overall	189.6	25.5	35.0	39.5

¹ Based on our review of 99 applications accepted in LicensE from May 2022 or later and that resulted in credentials issued through May 2023. Information in LicensE did not allow us to determine responsibility for the amount of time to issue a credential associated with 1 of the 100 applications. For each credential type, we randomly selected the applications from the one-fourth of credentials that took the longest amount of time to issue.

The applications in our file review varied in complexity. For example:

- One applicant submitted all required information in May 2022. DSPS first reviewed the information and issued a credential in August 2022.
- A second applicant submitted all required information in September 2022, other than the results of an examination that the applicant needed approval from DSPS to take. In December 2022, DSPS first reviewed the information and approved the applicant's eligibility to take the examination. The applicant subsequently passed the examination, and the examination score was available to DSPS in April 2023. One day later, DSPS issued a credential.
- A third applicant applied for a credential in May 2022 and requested approval from DSPS to take two examinations. In June 2022, DSPS provided its approval. The applicant failed one of the examinations once and the second examination twice. One examination required the applicant to wait at least 30 days before retaking it, and the second examination required the applicant to wait at least 45 days before retaking it. After the applicant passed both examinations and DSPS received the examination scores, DSPS issued a credential in March 2023.

A small proportion of the applications in our file review involved DSPS's legal staff or the relevant credentialing boards:

- Ten applications in our file review involved DSPS's legal staff, who took an average of 33.4 days to complete each of their reviews of information applicants had submitted. The shortest review was completed on the day it began, and the longest took 63 days to complete.
- Four applications in our file review involved the relevant credentialing boards, which took an average of 8.5 days to complete each of their reviews of information applicants had submitted. The shortest review took 1 day to complete, and the longest took 28 days to complete. In our analysis, we attributed such time to DSPS.

Our file review identified three instances when DSPS did not appropriately handle confidential information from applicants.

Confidential Information

Statutes require state agencies such as DSPS to develop rules of conduct for their staff who use personally identifiable information and ensure that staff know their responsibilities for protecting personal privacy. Our file review identified three instances when DSPS did not appropriately handle personally identifiable information from applicants. In two instances, DSPS asked applicants to verify their identities by emailing DSPS a portion of their Social Security numbers. In one instance, DSPS provided a credentialing board member with a document that contained an applicant's Social Security number. DSPS did not have written policies that prohibited its staff from requesting Social Security numbers by email or distributing them to third parties, such as credentialing board members.

DSPS should comply with statutes by developing written policies that prohibit its staff from requesting credential applicants to email any portion of their Social Security numbers and providing such confidential information to third parties. DSPS should then comply with statutes by regularly training its staff on these policies. Doing so will reduce the chances that applicants suffer harm, such as identity theft, if their confidential information is intercepted by unintended recipients.

Recommendation

We recommend the Department of Safety and Professional Services:

- *comply with statutes by developing written policies that prohibit its staff from requesting credential applicants to email any portion of their Social Security numbers and providing such confidential information to third parties;*
- *comply with statutes by regularly training its staff on these policies; and*
- *report to the Joint Legislative Audit Committee by March 15, 2024, on the status of its efforts to implement these recommendations.*

Call Center

DSPS operates a call center that applicants, employers, and the public can contact in order to obtain information about credentialing requirements and related issues. The number of telephone calls received by the call center increased from 211,500 in 2021 to 399,100 in 2022 (88.7 percent). DSPS indicated this increase occurred primarily because it had implemented a new information technology (IT) system that increased the call center's capacity to receive calls.

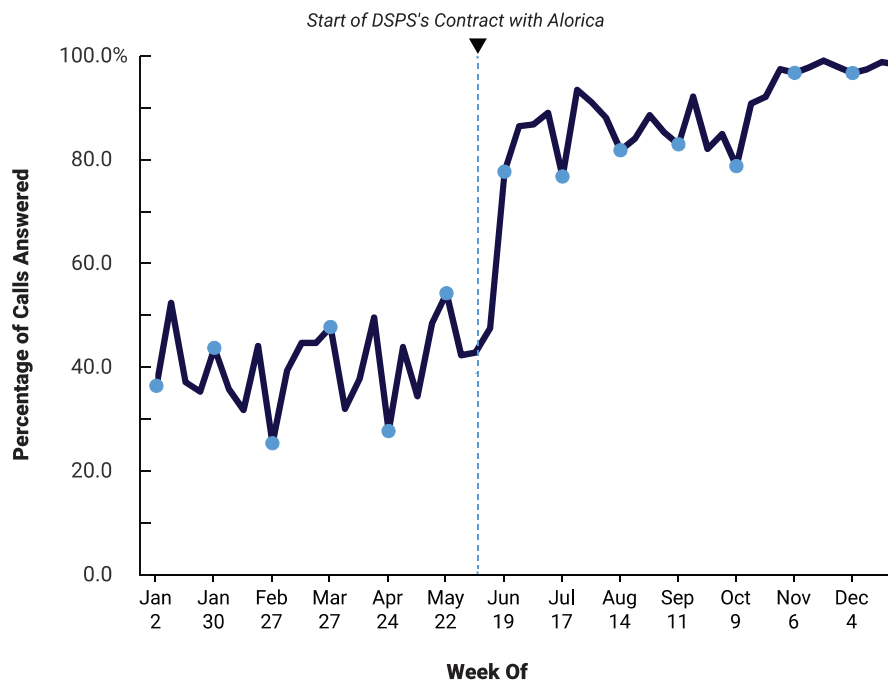
In January 2022, DSPS employed 10.0 FTE staff and 2.0 limited term employees (LTEs) in its call center. To increase the call center’s capacity to answer calls in a timely manner, DSPS executed with Alorica a one-year contract that began in June 2022. The contract established billable hours and rates for individual types of contract staff. Under the terms of the contract, Alorica agreed to provide 20 staff to answer telephone calls. In October 2022, DSPS and Alorica amended the contract to add six additional staff and allow DSPS to assign Alorica’s staff to complete other tasks, such as matching and sorting documents submitted as part of the credential application process.

The proportion of telephone calls answered by the call center increased considerably after DSPS contracted with Alorica in June 2022.

As shown in Figure 5, the proportion of telephone calls answered by the call center increased considerably after DSPS contracted with Alorica in June 2022.

Figure 5

Proportion of Telephone Calls Answered by DSPS’s Call Center, by Week¹ 2022

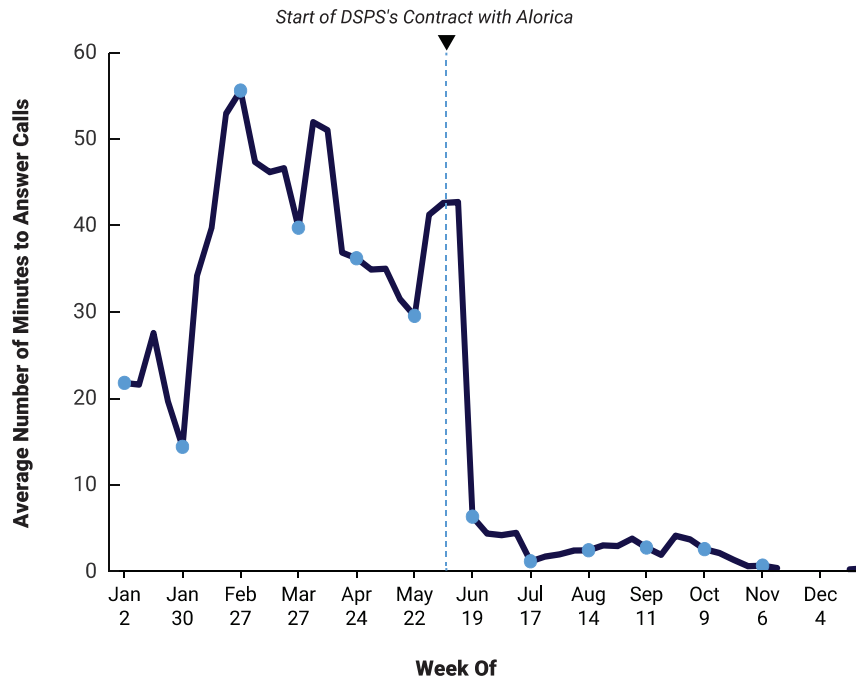


¹ According to data provided by DSPS.

As shown in Figure 6, the average amount of time it took the call center to answer telephone calls decreased considerably after DSPS contracted with Alorica.

Figure 6

Average Amount of Time Taken by DSPS’s Call Center to Answer Telephone Calls, by Week¹ 2022



¹ According to data provided by DSPS, which did not collect the data for four weeks late in 2022.

As noted, we first requested detailed data for DSPS’s call center in late-March 2023 but did not receive the data through August 2023. As a result, we could not complete additional analyses, such as determining the reasons why individuals contacted the call center and the number of individuals who left voicemails because they were unable to speak with call center staff.

Contract Administration

DSPS’s contract with Alorica includes a provision that allows it to be renewed by mutual agreement. After the contract ended on June 6, 2023, and was not immediately renewed, DSPS indicated Alorica staff continued to answer calls to the call center. On June 27, 2023, DSPS and Alorica agreed to extend the contract through August 2023. On

November 13, 2023, the contract was extended for the time period from September 2023 through December 2024.

DSPS should ensure it has current contracts with all entities that provide it with services.

DSPS should ensure it has current contracts with all entities that provide it with services. Receiving services from entities with which DSPS has no contractual relationship could negatively affect DSPS if, for example, a firm billed it for services at an increased rate that had not been reflected in an expired contract or if a firm initiated a legal dispute with DSPS.

Recommendation

We recommend the Department of Safety and Professional Services:

- *ensure it has current contracts with all entities that provide it with services; and*
- *report to the Joint Legislative Audit Committee by March 15, 2024, on the status of its efforts to implement this recommendation.*

■ ■ ■ ■

Funding and Staffing Issues

DSPS is funded primarily by program revenue it receives from charging fees for various services.

DSPS is funded primarily by program revenue it receives from charging fees for various services. If DSPS earns more program revenue in a given year than it is authorized to spend, it accumulates surplus program revenue. At the end of FY 2022-23, DSPS had \$50.2 million in surplus program revenue. The overall amount appropriated to DSPS for credentialing steadily increased from the 2013-15 biennium through the 2023-25 biennium. The number of its authorized staff positions for credentialing, including full-time and project positions, decreased from the 2013-15 biennium through the 2017-19 biennium but then increased in the following three biennia.

Funding Issues

Statutes authorize DSPS to charge fees for services such as issuing and renewing credentials, inspecting certain construction sites, and reviewing construction plans for certain structures. DSPS is funded primarily by the revenue it receives from these fees, but it also receives federal funds for specific purposes, such as to operate a prescription drug monitoring program database. In FY 2022-23, DSPS's revenues totaled \$73.4 million. This total included \$14.6 million from credentialing fees, which DSPS used to cover the costs of administering credentials.

At the end of FY 2022-23, DSPS had \$50.2 million in surplus program revenue it was not authorized to spend.

As shown in Table 5, DSPS had \$50.2 million in surplus program revenue it was not authorized to spend at the end of FY 2022-23. The amount of surplus program revenue decreased in FY 2021-22, in part, because the Joint Committee on Finance as part of its statutorily prescribed review process authorized DSPS to spend program revenue to migrate the processing of business and trades applications from a

legacy credentialing system to LicenseE. The available information did not allow us to determine the amount of surplus program revenue from credentialing fees.

Table 5

DSPS's Surplus Program Revenue, by Fiscal Year¹
(in millions)

Fiscal Year	Amount
2019-20	\$54.4
2020-21	55.6
2021-22	51.2
2022-23	50.2 ²

¹ As of the end of a given fiscal year. Includes statutorily required reserves.

² This amount was certified by DSPS at the close of the fiscal year.

From October 2021 through February 2023, DOA allocated \$14.1 million in supplemental federal funds to DSPS to help administer credentials.

From October 2021 through February 2023, the Department of Administration (DOA) allocated \$14.1 million in supplemental federal funds to DSPS to help administer credentials. These funds were provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) and included:

- \$7.0 million in ARPA funds to implement LicenseE for healthcare credentials;
- \$3.6 million in ARPA funds to contract from June 2022 through June 2023 with a firm to answer telephone calls to DSPS's call center and process applications for credentials;
- \$2.9 million in ARPA funds to support 12.0 FTE project positions and 9.0 LTE positions, staff interchanges with other state agencies, overtime pay for certain DSPS staff, and add-on pay for DSPS staff who reviewed applications for credentials;
- \$380,100 in CARES Act funds to purchase software services for managing and processing documents before LicenseE was implemented; and
- \$253,700 in ARPA funds to purchase computer hardware and software licenses.

Staffing Issues

The number of authorized FTE positions for permanent credentialing staff decreased from 43.0 in January 2020 to 42.1 in January 2023.

As shown in Table 6, the total number of authorized FTE positions for permanent credentialing staff decreased from 43.0 positions in January 2020 to 42.1 in January 2023, excluding project positions and positions in DSPS’s call center. The vacancy rates for project positions associated with credentialing were 25.0 percent in January 2020 and January 2021, 33.0 percent in January 2022, and 30.8 percent in January 2023.

Table 6

Authorized FTE Positions for Permanent Credentialing Staff, by Year
As of January 1

Year	Number of FTE Positions			Vacancy Rate
	Filled	Vacant	Total	
2020	39.3	3.8	43.0 ¹	8.8%
2021	38.5	3.0	41.5 ²	7.2
2022	38.5	5.0	43.5 ³	11.5
2023	42.1	0.0	42.1 ⁴	0.0

¹ Excludes 4.0 project positions.

² Excludes 4.0 project positions.

³ Excludes 6.0 project positions.

⁴ Excludes 13.0 project positions, 11.0 of which were supported by supplemental federal funds.

DSPS also employed LTEs to help administer credentials in recent years. DSPS employed 14 LTEs in January 2020, 12 LTEs in January 2021, 14 LTEs in January 2022, and 20 LTEs in January 2023.

License permit program associates review the information that applicants submit and issue credentials when all application requirements are met. As shown in Table 7, such individuals made up most of DSPS’s authorized FTE positions for credentialing staff on January 1, 2023. On that date, 4.0 of the 38.0 FTE positions for license permit program associates were vacant, and all other credentialing positions were filled.

Table 7

Authorized FTE Positions for Credentialing Staff, by Job Title¹
January 1, 2023

Job Title	Number		
	Permanent	Project	Total
License Permit Program Associates	28.0	10.0	38.0
Licensing Examination Specialists	4.0	0.0	4.0
Attorneys	3.0	1.0	4.0
Paralegals	1.0	2.0	3.0
Program and Policy Analysts	2.6	0.0	2.6
Records Management Program Supervisors	2.0	0.0	2.0
Office Operations Associates	1.0	0.0	1.0
Licensing Education Program Manager	0.5	0.0	0.5
Total	42.1	13.0	55.1

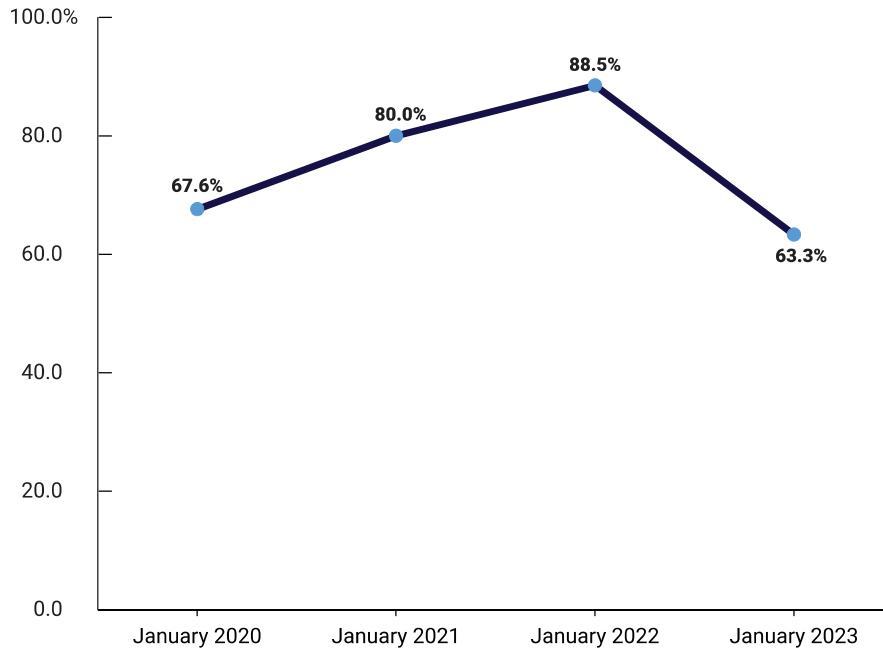
¹ A total of 11.0 of the 13.0 project positions were supported by supplemental federal funds.

The proportion of permanent license permit program associates who had been employed at DSPS for at least one year increased from January 2020 through January 2022.

As shown in Figure 7, the proportion of permanent license permit program associates who had been employed at DSPS for at least one year increased from January 2020 through January 2022. This proportion subsequently declined in January 2023.

Figure 7

**Proportion of Permanent License Permit Program Associates Employed at DSPS for at Least One Year
As of January 1**



Funding and Staffing Trends

We determined DSPS’s total funding and staffing levels over time, including amounts and staff not specifically associated with administering credentials. Over the 12-year period from FY 2013-14 through FY 2024-25:

- the total amount appropriated annually to DSPS increased from \$50.9 million to \$72.7 million (42.8 percent); and
- the total number of FTE staff positions authorized to DSPS decreased from 262.6 to 257.9 (1.8 percent), including permanent and project positions.

Funding Trends

We determined biennial changes to the funding appropriated to DSPS for purposes that were substantially or entirely related to credentialing, including DSPS’s call center. To do so, we considered the amounts in DSPS’s biennial budget requests, the amounts in the Governor’s biennial budget requests, the amounts in the biennial budget bills that the Legislature sent to the Governor, and the amounts in the biennial

budget acts. We also considered any amounts the Joint Committee on Finance approved through its statutorily prescribed review process.

The overall amount appropriated to DSPS for credentialing steadily increased from the 2013-15 biennium through the 2023-25 biennium.

As shown in Table 8, the overall amount appropriated to DSPS for credentialing steadily increased from the 2013-15 biennium through the 2023-25 biennium. In the 2023-25 biennium, DSPS was appropriated \$8.0 million more than it had been appropriated in the prior biennium.

Table 8

Changes to the Amounts Appropriated to DSPS for Credentialing, by Biennium¹
(in millions)

Biennium	Biennial Budget Request		Budget Bill ²	Biennial Budget Act	Overall ³
	DSPS	Governor			
2013-15	\$0.0	\$2.9	\$1.3	\$1.5	\$1.5
2015-17	2.0	1.0	0.9	1.1	1.1
2017-19	0.0	(0.7)	(0.6)	(0.6)	3.9
2019-21	5.0	6.5	5.8	5.8	5.8
2021-23	5.3	7.0	1.0	1.0	6.0
2023-25	10.7	17.0	8.0	8.0	8.0 ⁴

¹ Amounts shown reflect changes to the prior biennium. Includes amounts that were substantially or entirely related to credentialing.

² Indicates the amount in the biennial budget bills the Legislature sent to the Governor.

³ Includes additional amounts, if any, approved by the Joint Committee on Finance.

⁴ Through August 2023.

In the 2013-15 biennium, the Governor’s biennial budget request proposed to increase funding by \$2.9 million to modernize IT systems for credentialing. 2013 Wisconsin Act 20, the 2013-15 Biennial Budget Act, increased funding for this purpose by \$1.5 million.

In the 2015-17 biennium, DSPS’s biennial budget request proposed to increase funding by \$2.0 million, including \$1.5 million to transition to a paperless system for credentialing and other functions. 2015 Wisconsin Act 55, the 2015-17 Biennial Budget Act, increased funding by \$1.5 million for this purpose but reduced other credentialing funding. As a result, Act 55 increased credentialing funding by \$1.1 million.

In the 2017-19 biennium, 2017 Wisconsin Act 59, the 2017-19 Biennial Budget Act, reduced funding by \$638,200. In April 2018 and

October 2018, the Joint Committee on Finance approved \$4.5 million in emergency funding requests to support credentialing. As a result of these and other changes, overall credentialing funding increased by \$3.9 million.

In the 2019-21 biennium, DSPS's biennial budget request proposed to increase funding by \$5.0 million, and the Governor's biennial budget request proposed to increase it by \$6.5 million. The Governor's request included \$1.4 million to process applications and investigate complaints against credentialed individuals and provide an additional 9.0 FTE staff positions, which 2019 Wisconsin Act 9, the 2019-21 Biennial Budget Act, reduced to \$817,800 and 6.0 FTE staff positions. As a result of these and other changes, overall credentialing funding increased by \$5.8 million.

In the 2021-23 biennium, DSPS's biennial budget request included \$5.0 million to migrate the processing of applications for business and trades credentials from a legacy credentialing system to LicenseE. In June 2022, DSPS requested these funds, and the Joint Finance Committee approved the request. The Governor's biennial budget request included \$1.2 million and 10.0 FTE staff positions to improve credentialing and related functions, which 2021 Wisconsin Act 58, the 2021-23 Biennial Budget Act, reduced to \$302,800 and 3.0 FTE staff positions. As a result of these and other changes, overall credentialing funding increased by \$6.0 million.

In the 2023-25 biennium, DSPS's biennial budget request proposed to increase funding by \$10.7 million, and the Governor's biennial budget request proposed to increase it by \$17.0 million. DSPS and the Governor each requested \$5.5 million to maintain and modernize IT systems for credentialing, and 2023 Wisconsin Act 19, the 2023-25 Biennial Budget Act, appropriated this amount for these purposes. DSPS and the Governor also each requested \$2.2 million and 16.0 FTE permanent staff positions to improve credentialing and related functions, which Act 19 reduced to \$952,400 and 7.0 FTE project staff positions. As a result of these and other changes, overall credentialing funding increased by \$8.0 million. In August 2023, DSPS requested approval from the Joint Committee on Finance to spend \$1.4 million during the 2023-25 biennium. The funds would support 5.0 FTE new project staff positions, 2.0 FTE existing project staff positions, and 21 contract staff in the call center from January 2025 through June 2025. In September 2023, the Joint Committee on Finance voted not to approve this request.

Staffing Trends

The number of authorized FTE staff positions for credentialing decreased from the 2013-15 biennium through the 2017-19 biennium but increased in the following three biennia.

As shown in Table 9, the change in the number of authorized FTE staff positions for credentialing, including permanent and project positions, decreased from the 2013-15 biennium through the 2017-19 biennium but then increased in the following three biennia. For the 2023-25 biennium, DSPS requested 36.0 FTE permanent positions for credentialing, and the Governor requested 43.0 FTE permanent positions. 2023 Wisconsin Act 19, the 2023-25 Biennial Budget Act, authorized 13.0 FTE project positions.

Table 9

Changes in the Number of Authorized FTE Staff Positions for Credentialing¹

Biennium	Biennial Budget Requests		Budget Bill ²	Biennial Budget Act	Overall ³
	DSPS	Governor			
2013-15	0.0	0.0	(1.0)	(1.0)	(1.0)
2015-17	0.0	0.0	(1.8)	(1.8)	(1.8)
2017-19	0.0	(2.8)	(2.5)	(2.5)	(0.5)
2019-21	0.0	9.0	6.0	6.0	6.0
2021-23	0.0	10.0	3.0	3.0	3.0
2023-25	36.0	43.0	13.0	13.0	13.0 ⁴

¹ Amounts shown reflect changes to the prior biennium. Includes positions substantially or entirely related to credentialing. Includes permanent and project positions.

² Indicates the positions in the budget bills the Legislature sent to the Governor.

³ Includes positions, if any, approved by the Joint Committee on Finance.

⁴ Through August 2023.



Future Considerations

DSPS should improve how it administers credentials.

DSPS should improve how it administers credentials. DSPS can do so, in part, by regularly reporting on its website up-to-date information pertaining to its administration of credentials. DSPS should regularly collect and assess information about the productivity of its credentialing staff and use this information to improve its operations. In addition, DSPS should use the productivity information it has collected and assessed as the basis for any future requests for additional staffing, IT, or other resources it believes are needed for it to administer credentials efficiently and effectively.

Publicly Reporting Information

In April 2023, the Joint Legislative Council introduced 2023 Assembly Bill 201, which was prepared for the Joint Legislative Council's Study Committee on Occupational Licenses. The Senate and the Assembly passed Assembly Bill 201 in June 2023, but the Governor vetoed it in August 2023. Assembly Bill 201 would have required DSPS to publish each month on its website certain information about each type of credential it administers, including:

- the median number of days from when individuals submitted all required fees for credential applications and renewals to when DSPS made final determinations on the applications;
- the number of credential applications and renewals that individuals submitted during the prior month;

- the number of final determinations DSPS made on credential applications and renewals during the prior month, including the numbers of applications that DSPS approved and denied; and
- the number of credential applications and renewals for which more than 45 days had passed since individuals had submitted all required application fees.

In August 2023, DSPS began to report on its website some information about its administration of credentials.

In August 2023, DSPS began to report on its website some information about its administration of credentials. This information included the average number of days DSPS takes to review information applicants submit for all healthcare and all business credentials, as well as for specific types of credentials. The reported information did not include the average or median amounts of time that it took to issue credentials.

In the 2023-25 Executive Budget, DSPS developed new performance measures to indicate how well it met certain operational indicators. One such performance measure indicates that DSPS established a goal of issuing 75.0 percent of licenses within 30 days in 2023, 2024, and 2025. Because this is a new performance measure, DSPS did not report on whether it had achieved its goal.

One chairperson of a credentialing board indicated to us that having additional information about the average amount of time needed for DSPS to review applications would help the board to consider ways to improve the credentialing process and would help applicants to know approximately how long they should expect to wait before receiving their credentials.

DSPS should regularly report on its website additional information pertaining to its administration of credentials.

DSPS should regularly report on its website additional information pertaining to its administration of credentials. Such information could include the total numbers of credential applications and renewals that it had received during a recent period of time, such as the past 7 days, 30 days, or 45 days, as well as the number of applications it had received for each type of credential during this recent period of time. DSPS could also report on the average or median amount of time it took to issue each type of credential during a recent period of time, the proportion of all credentials that it had issued within a certain amount of days after having received all required application information, and the results of the performance measures in the 2023-25 Executive Budget. Such information would allow applicants to know whether they had been waiting an unusually lengthy amount of time for DSPS to approve their credentials, and it would allow the Legislature and the public to better understand DSPS's workload and performance.

☑ Recommendation

We recommend the Department of Safety and Professional Services:

- *regularly report on its website additional information pertaining to its administration of credentials; and*
- *report to the Joint Legislative Audit Committee by March 15, 2024, on the status of its efforts to implement this recommendation.*

Tracking the Productivity of Credentialing Staff

Tracking the productivity of credentialing staff can provide information that DSPS can use to identify staff who perform well and those who may need additional guidance or training. DSPS indicated LicenseE allows it to track staff productivity, including the number of days that pass between when applicants submit information and when credentialing staff review this information.

In November 2022, DSPS developed policies that define productivity metrics for its healthcare-related credentialing staff, such as the number of hours they worked each day, the number of applications they reviewed, the number of documents they reviewed, and the number of credentials they issued. The policies do not require DSPS to collect the information needed to calculate the productivity metrics, but DSPS indicated it collected the information weekly from November 2022 through May 2023 and indicated it intended to continue collecting such information. Although we first requested this information on June 14, 2023, DSPS did not provide it to us. As a result, we conclude this information does not exist. In December 2023, DSPS provided us with information about the productivity standards that it requires staff to meet.

DSPS's policies do not require managers to review the productivity information, use the information to establish expectations about the amount and types of work that staff can reasonably be expected to accomplish during a given week, or use the information to make staffing decisions. However, DSPS indicated the information is discussed at weekly staff meetings. In addition, one supervisor of credentialing staff indicated that supervisors compiled the information in tracking documents that are used to guide monthly one-on-one meetings with staff, set and periodically update productivity goals for staff, and make decisions about workloads. Although we requested the tracking documents on June 14, 2023, DSPS did not provide them to us. As a result, we conclude this information does not exist.

DSPS should regularly collect and assess information about the productivity of its credentialing staff and use it to improve its operations.

DSPS should regularly collect and assess information about the productivity of its credentialing staff and use it to improve its operations. DSPS should develop policies that require it to regularly collect and assess information about the productivity of its credentialing staff, such as the number of applications each staff member reviewed over a given period of time, the number of credentials each staff member issued, and the number of hours each staff member spent reviewing applications. The policies should require DSPS to document the results of its assessments and use the results to improve its operations, such as by establishing productivity goals for individual staff members based on their experience levels and types of credentials they review and by identifying any needed additional guidance and training. DSPS should then consistently comply with its newly developed policies. Taking these actions will help DSPS to improve how it processes credentials.

☑ Recommendation

We recommend the Department of Safety and Professional Services:

- *develop policies that require it to regularly collect and assess information about the productivity of its credentialing staff, document the results of its assessments, and use the results to improve its operations;*
- *consistently comply with its newly developed policies; and*
- *report to the Joint Legislative Audit Committee by March 15, 2024, on the status of its efforts to implement these recommendations.*

DSPS should use its productivity information as the basis for any future requests for additional staffing, IT, or other resources it believes are needed for it to administer credentials.

DSPS should use the productivity information it has collected and assessed as the basis for any future requests for additional staffing, IT, or other resources it believes are needed for it to administer credentials efficiently and effectively. For example, DSPS could base a request for additional credentialing staff positions on information that demonstrates the productivity of existing staff and the number of credentials that additional staff could be expected to issue in a given month. If the productivity information indicates it takes staff additional time to consider applications for certain types of credentials, DSPS could use this information to indicate the anticipated benefits of additional staff who are assigned to review those applications.

☑ Recommendation

We recommend the Department of Safety and Professional Services:

- *use the productivity information it has collected and assessed as the basis for any future requests for additional staffing, information technology, or other resources it believes are needed for it to administer credentials efficiently and effectively; and*
- *report to the Joint Legislative Audit Committee by March 15, 2024, on the status of its efforts to implement this recommendation.*

■ ■ ■ ■

Responses



December 12, 2023

Joe Chrisman
State Auditor
State of Wisconsin Legislative Audit Bureau
22 East Mifflin Street, Suite 500
Madison, WI 53703

Dear Mr. Chrisman:

We at the Department of Safety and Professional Services are pleased to see that this performance audit confirmed what we have known for some time: We are issuing more licenses, more quickly than ever. We have reduced license decision times significantly through strategic investment in technology, people, and process. Further, as we shared during the active auditing process, we are not done yet. We launched phase two of our modernization during the active auditing process and were also engaged in development of phase three, which will officially roll out early in 2024. This work will yield additional improvements and will extend the benefits of this effort to more applicants, stakeholders, and citizens of Wisconsin.

We are pleased that this audit has confirmed that investing in people is a key element of success and progress. Specifically, the call center findings show that adding capacity has a direct and nearly immediate impact on ability to handle incoming volume. While this seems like an obvious conclusion—that more people can do more work—this audit validates the proposition and should prove valuable when we seek to maintain call center capacity once emergency federal funding and temporary staffing expire.

1 We are pleased to see that this audit reached a similar conclusion that we at the agency have regarding the initial work to create DSPS through the merger of the former Department of Licensing and Regulation and components of the Department of Commerce in 2011. More specifically, it has been clear to us that not only was insufficient work done to modernize and integrate the operations of the two former agencies, but insufficient work was done to reconcile the differing rules and statutes that governed the operations of the two previous entities. As a result, there are different standards for various aspects of the licensing process, such as refund policies. We have been fully invested in modernizing operations, and we have also been simultaneously evaluating rules for reconciliation work. That effort is also moving forward in rule projects that are in stages of implementation.

As we have gone about this significant effort to modernize the credentialing process, we have been simultaneously evaluating policies and procedures, both of which had largely been insufficiently addressed upon the merger of the two former agencies. We have been updating policies and procedures that are still relevant given our new platform and processes. We have also been retiring those that are no longer relevant to current operations. Additionally, we have been implementing policies and procedures when we discovered that none had existed or to address new functions resulting from modernization. This is systematic, ongoing work that requires effort across divisions, and it has been in process throughout this audit. We have made additional progress since the active auditing engagement, and we will continue to build out our library of both standard operating procedures and broader agency policies. As this work continued beyond the active auditing engagement, we have submitted additional policies that have been developed since our submission earlier this year.

2 These three points, not coincidentally, capture and address the three key areas of focus during our modernization efforts: people, process, and systems/technology. The audit findings address all three and support departmental decisions to invest in all three. The audit findings and recommendations for further investment in all three areas demonstrates that the auditors share our belief that sustained progress requires sustained investment in people, process, and technology.

While this audit of credentialing performance largely supports agency priorities and confirms departmental progress, there are some areas that warrant clarification or correction. We will address in our response only those that we find to be the most significant.

The first begins with another point of agreement. The auditors and the department share an interest in credentialing data and communication of credentialing data. At the department, we desire to communicate relevant information about the credentialing process so that applicants can better plan for and complete the steps required to acquire their licenses.

In August the department launched the credentialing performance dashboard, and on that dashboard, we communicate information including profession specific information and review averages. Further, the department is recruiting temporary staff, funded with additional federal ARPA resources, to focus on data visualizations and communication. Finally, we are regularly exploring ways we can better leverage our credentialing data to assist applicants and inform stakeholders. We will use the feedback from this audit report as we continue this work, which will be ongoing as new data, tools, and trends emerge.

3 The next point, however, is a critical clarification that we must address. The audit report refers to credentialing board members as “third parties” to the credentialing process. This is fundamentally incorrect. Credentialing boards are the regulator of record as established by Wisconsin law [see Wis. Stat. §§ 15.03 (attached for limited purposes), 15.08(5) (examining boards), and 15.085(5) (affiliated credentialing boards)]. Credentialing boards are attached to the department for administrative service and delegate components of the credentialing process to the department for efficient operation. Suggesting that boards or board members are third parties to the credentialing process reveals a deep misunderstanding of the credentialing process and creates a false impression about the nature of interactions between board members and the department.

The department has requested in previous budgeting cycles additional funding to issue state-sponsored email addresses to all board members to increase both efficiency and security of operations. The legislature did not allocate resources at requested levels, and this has prevented the department from issuing state-sponsored email addresses to all board members. The department will continue to pursue the acquisition of state-sponsored email addresses to increase the efficiency and security of communication with board members.

4 Additionally, the practice of utilizing the last four digits of a social security number when working with an applicant to verify identity aids the department in preventing fraud. The department engages with hundreds of thousands of applicants and license holders, some of which share names and birthdays and even occupations. We do not share sensitive personal information with individuals not integral to the credentialing process (again, as noted above, we do not consider regulators—board members—to be third parties to the credentialing process). Still, recognizing the auditor’s concern, we will review standard operating procedures related to information exchanges with board members, and we will ensure employees are trained on these procedures.

The audit report also cites occasions during the auditing process when the department did not provide requested documentation in a timely manner. Department leadership stated at the beginning of the audit and reiterated throughout the active auditing process that the top agency priority was executing its statutory responsibilities. Of these responsibilities, optimizing credentialing operations was first and foremost. We were clear that we would prioritize the work we do for the people of Wisconsin, and we would not allow the audit process to jeopardize our

5 investment in modernizing our credentialing operations. More specifically, we indicated that we would protect credentialing staff and limit, to the best of our ability, the audit burden. That said, while the department worked to protect the availability of credentialing staff to ensure they had adequate time to satisfactorily participate in LicenseE phase three development, the significant audit demands ultimately affected development timelines and delayed the launch of the third phase of LicenseE.

We will take this opportunity to remind the Joint Legislative Audit Committee that the department was, during the entirety of the auditing process, engaged in the development and implementation of the second and third phases of LicenseE. At the risk of understating the scope and impact of this effort, it was and remains a significant undertaking for the department.

Throughout this time, the department has been engaged with a developer under terms and timelines set forth contractually. This is a critical and limited period of opportunity—a period that will expire under terms of the contract—and in order to be responsible stewards of the funds invested in this technical build, we had to endeavor to be fully engaged in the development process. The risk of not engaging fully, we predicted, would be delays at best and compromised results at worst. Rather than compromise the product, we delayed the launch to ensure that we were delivering the most value to our customers and the people of Wisconsin.

6 Credentialing staff are our subject matter experts, and they were already being tasked with platform development responsibilities in addition to their credentialing responsibilities. Auditing activity further stretched their capacity. Additionally, department information technology staff—provided through shared services by the Department of Administration Division of Enterprise Technology—were also previously fully committed to agency operations along with LicenseE development and related efforts. We had communicated the difficulty of accessing data that was housed in multiple, disparate platforms, and yet we worked diligently with DET IT staff and provided the data they made available to us. We also granted auditors full access to some of our systems, including LicenseE and ICE, so they had independent access to information and data.

7 The credentialing and IT teams invested hundreds of staff hours in this audit in addition to time spent by agency leadership. Despite these added responsibilities and expectations, the credentialing team has achieved remarkable success and historically fast document handling and license issuing speeds and the IT team has assisted with launching phases two and three of LicenseE.

8 While the audit found much success in call center performance, the report indicates that the department did not supply certain call center data. According to our records, the department supplied available documents related to the nature of call center questions on or around September 11.

Throughout the auditing process, we have been simultaneously evaluating how to optimize staff performance. We were building into the platform supervisor-driven work queues to prioritize tasks for staff, and we were identifying metrics that would measure activity that would drive productivity. We submitted the division-wide performance plan with measurable metrics that optimize the supervisor driven-work queues and incentivizes activity that leads to optimal credentialing performance. This plan has contributed to the fastest document handling and decision times in agency history. As of this writing, average document handling time is below three days, meaning that an applicant who submits all necessary documentation will have their license in a matter of days. A few years ago, the same applicant would have waited weeks or even months for a decision. This is historic progress with direct and meaningful results for license applicants and all the people who rely on them for services.

9

Lastly, the audit report, in reference to the Alorica contract renewal, called for the department to maintain current contracts with vendors. The department and call center contractor were renegotiating some of the terms of the contract and had not fully resolved all items at the time the previous contract expired. Both parties verbally agreed to continue operations under the terms of the previous contract as we amicably worked through updating certain terms. This is standard industry practice, and the alternative would have been to suspend operations during the renegotiation. This would have had direct and immediate negative impact on license applicants, and it was not in their best interest to suspend operations, even temporarily, when an alternative—operating under terms of the previous contract during the ongoing renegotiations—was available.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Hereth", with a long horizontal flourish extending to the right.

Dan Hereth
Secretary-designee

LEGISLATIVE AUDIT BUREAU COMMENTS ON THE AUDIT RESPONSE FROM THE DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

To help the Joint Legislative Audit Committee evaluate the audit response from the Department of Safety and Professional Services, we offer some clarifying comments. The numbers below correspond to the numbers we placed in the margin of the audit response.

- ① Our report does not discuss the creation of DSPS.
- ② Our report does not recommend increasing or decreasing investment in DSPS.
- ③ [Our report indicates](#) credentialing boards are integral to the credentialing process.
- ④ [Our report indicates](#) DSPS must appropriately handle confidential information obtained from applicants, including when sharing it among staff and credentialing board members.
- ⑤ Until its December 12, 2023 response, DSPS did not mention to us delays in the launch of the third phase of LicenseE.
- ⑥ We did not have access to DSPS's ICE system.
- ⑦ Allowing interaction with staff without senior DSPS officials present and providing requested information in a timely manner could have reduced the amount of time spent on the audit. We requested in writing that DSPS provide us with particular documents, such as policies, up to 30 times from March 2023 through August 2023.
- ⑧ [Our report indicates](#) DSPS did not provide us with call center data through August 2023.
- ⑨ [Our report indicates](#) the potentially negative consequences of an agency not having current contracts with entities that provide it with services.