



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Brian Pahnke, Administrator

Date: August 31, 2023

To: Daniel Hereth, Secretary-designee
Department of Safety and Professional Services
4822 Madison Yards Way
Madison, WI 53705

From: Brian Pahnke
State Budget Director

Subject: s. 16.515/16.505(2) Request(s)

The Department of Administration has reviewed your department's recent request(s) under s. 16.505/515 and forwarded our recommendation to the Joint Committee on Finance (see attached analysis).

The DOA recommendation will be approved on **September 22, 2023**, unless the Joint Committee on Finance voices an objection to the recommendation and schedules a meeting to discuss the item.

Please contact your assigned state budget analyst if you have any questions on this process.

cc: Sara Hynek
Amanda Mott

Attachments



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary

Date: August 31, 2023

To: The Honorable Howard Marklein, Co-Chair
Joint Committee on Finance

The Honorable Mark Born, Co-Chair
Joint Committee on Finance

From: Kathy K. Blumenfeld, Secretary ^{DS} *KB*
Department of Administration

Subject: s. 16.515/16.505(2) Request(s)

Enclosed are request(s) that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2023-24</u>		<u>2024-25</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DSPS 20.165(1)(g)	General program operations	\$59,100	1.0*	\$211,100	1.0*
DSPS 20.165(1)(hg)	General program operations; medical examining board; interstate medical licensure compact; prescription drug monitoring program	\$59,100	1.0*	\$932,200	1.0* 5.0**
DSPS 20.165(2)(j)	Safety and building operations			\$131,000	
DSPS 20.165(2)(kd)	Administrative services		0.25***		0.25***

*Project positions extended from 10/1/2023 to 9/30/2025.

**Project positions effective from 1/1/2025 to 9/30/2027.

***Position beginning on 9/24/2023.

As provided in s. 16.515, the request(s) will be approved on September 22, 2023, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Kirsten Grinde at (608) 266-1353, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE/MemorandumState of Wisconsin
Department of Administration

Date: August 30, 2023
To: Brian Pahnke
From: Amanda Mott
Subject: Sections 16.505(2) and 16.515 Request

Attached is a ss. 16.505(2) and 16.515 request analysis for your approval and processing. Listed below is a summary of each item:

DOA RECOMMENDATION:

<u>AGENCY</u>	<u>DESCRIPTION</u>	2023-24		2024-25	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DSPS 20.165(1)(g)	General program operations	\$59,100	1.0*	\$211,100	1.0*
DSPS 20.165(1)(hg)	General program operations; medical examining board; interstate medical licensure compact; prescription drug monitoring program	\$59,100	1.0*	\$932,200	1.0* 5.0**
DSPS 20.165(2)(j)	Safety and building operations	\$0	0.0	\$131,000	0.0
DSPS 20.165(2)(kd)	Administrative services	\$0	0.25***	\$0	0.25***

*Project positions extended from 10/1/2023 to 9/30/2025.

**Project positions effective from 1/1/2025 to 9/30/2027.

***Position beginning on 9/24/2023.

AGENCY REQUEST:

<u>AGENCY</u>	<u>DESCRIPTION</u>	2023-24		2024-25	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DSPS 20.165(1)(g)	General program operations	\$59,081	1.0*	\$211,118	1.0*
DSPS 20.165(1)(hg)	General program operations; medical examining board; interstate medical licensure compact; prescription drug monitoring program	\$59,081	1.0*	\$932,152	1.0* 5.0**
DSPS 20.165(2)(j)	Safety and building operations	\$0	0.0	\$131,000	0.0
DSPS 20.165(2)(kd)	Administrative services	\$16,507	0.25***	\$16,507	0.25***

*Project positions extended from 10/1/2023 to 9/30/2025.

**Project positions effective from 1/1/2025 to 9/30/2027.

***Position beginning on 9/24/2023.

BP APPROVAL 



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Brian Pahnke, Administrator

Date: August 30, 2023

To: Kathy Blumenfeld, Secretary
Department of Administration

From: Amanda Mott
Executive Policy and Budget Analyst

Subject: Request under ss. 16.515 and 16.505(2) from the Department of Safety and Professional Services for 5.25 FTE PR project positions, additional program revenue expenditure authority to support 7.25 FTE PR project positions, and program revenue expenditure authority to support costs associated with contracted staff.

Request:

The Department of Safety and Professional Services requests the creation of 5.0 FTE PR project positions for credentialing, the extension of 2.0 FTE PR project positions for health care credentialing, the creation of 0.25 FTE PR permanent position to support budget and finance activities and associated funding, and program revenue funding to retain the services of 21 contracted call center support staff. The request totals \$151,176 PR for the remainder of fiscal year 2023-34 and \$1,307,325 PR for fiscal year 2024-25.

Revenue Sources for Appropriations

The department is funding the request primarily through program revenues generated from fees, which are budgeted in one of two programs. Program 1 is funded by professional license fees and examination fees, while Program 2 is funded by fees for plan reviews, inspections, permits, credentials and examinations related to building projects or components. The appropriations supporting the costs associated with the request are summarized in Table 1. The appropriations' revenue balances support that the department has sufficient funding for requested expenditure authority. Note that the table does not include the funding for the restoration of the 0.25 FTE PR position because the funding was not deleted.

Kathy Blumenfeld, Secretary
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Table 1: Summary of Requested Funding and Supporting Revenues

Item	20.165(1)(g) General Program Operations (Credentialing)		20.165(1)(hg) General Program Operations (Health Care Credentialing)		20.165(2)(j) General Program Operations (Safety and Buildings)	
	FY24	FY25	FY24	FY25	FY24	FY25
5.25 New FTE	\$0	\$0	\$0	\$240,554	\$0	\$0
2.0 FTE Extension	\$59,081	\$80,078	\$59,081	\$80,078	\$0	\$0
Contract Staff	\$0	\$131,040	\$0	\$611,520	\$0	\$131,040
Biennial Total		\$270,199		\$991,233		\$131,040
Revenue Balance (End FY23)		\$4,090,323		\$27,397,803		\$13,157,482

Background:

The department requested, and has received approval, to extend 12.0 FTE FED project positions for its Division of Professional Credential Processing through December 31, 2024. The positions are funded by American Rescue Plan Act (ARPA) allocations. This cohort of positions includes 9.0 FTE FED license permit and program associate (LPPA) positions, 2.0 FTE FED paralegal positions, and 1.0 FTE FED attorney position.

The ARPA positions were created to reduce time-to-credential for department customers. The department issues over 70,000 new credentials and 400,000 credential renewals for over 245 professions each biennium. Credential processing is a mostly manual process, and application volume often exceeds available staff hours. The department has used limited term employees (LTEs) to address the added workload but argues LTE positions are not attractive to potential employees in today's competitive hiring environment.

In addition, 2021 Wisconsin Act 10 was aimed at addressing health care provider and staffing shortages due to the COVID-19 pandemic. Under Act 10, the department must give priority to applicants who hold a valid license in other states and are applying for new, temporary healthcare licenses to practice in Wisconsin. The department stated that the resulting additional workload has extended processing times for license applicants in other professions. Also, the need to run dual licensing processes (emergency and regular) has exacerbated the existing and mounting need for additional staff.

The 2023-25 biennial budget, 2023 Wisconsin Act 19, included 6.0 FTE PR four-year project LPPA positions and 1.0 FTE PR four-year project paralegal position to support credentialing activities. The requested 5.0 FTE PR project positions (including 3.0 FTE PR LPPA positions, 1.0 FTE PR paralegal position and 1.0 FTE PR attorney position), when combined with the Act 19 positions, are intended to maintain the ARPA-funded staffing level after the federal allocation expires on December 31, 2024.

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Analysis:

General Credentialing Positions

The department requests position authorization, and related expenditure authority totaling \$240,554 in fiscal year 2024-25, for 5.0 FTE PR project positions beginning January 1, 2025, through September 30, 2027, for credentialing activities. Of the 5.0 FTE PR positions, the department requests authorization for 1.0 FTE PR attorney position. The attorney would provide legal support and guidance on credentialing matters, coordinate and conduct legal review of applications, and represent the department in administrative proceedings concerning credential denials. The department also requests authorization for 1.0 FTE PR paralegal position. The paralegal would be responsible for coordinating the legal review process for credential applications. This would include researching legal and factual issues, managing application files, and communicating with applicants regarding application status. Finally, the department requests 3.0 FTE PR LPPA positions for the health team. The LPPA positions would assist the public and department staff in the credential application and renewal process to determine whether the applicant satisfies all statutory, administrative rule, department and internal credentialing procedure requirements. For example, the LPPA positions would assist in analyzing professional experience history for legitimacy, determining whether experience is appropriate for the application category and maintaining applicant data in the credentialing database.

The department requests that these positions' end dates align with the 7.0 FTE PR credentialing project positions authorized in Act 19. All positions are assumed to start on or after January 1, 2025, and end on September 30, 2027. Estimated costs for the second half of fiscal year 2024-25 are shown in Table 2, which uses a fringe rate of 42.5 percent and an overhead rate of \$6.95 per hour, and includes the general wage adjustment for salary. The funding for these credentialing positions would be supported by the general program operations; medical examining board; interstate medical licensure compact; prescription drug monitoring program appropriation under s. 20.165(1)(hg). This appropriation is utilized for complex and time-consuming health-related occupational licensing, as well as other applications that require additional review.

Table 2: Requested Position Costs in FY25

Title	Count (FTE)	Hours	Rate	Salary	Fringe Benefits	Supplies & Services	Total
LPPA	3.0	1040	\$22.14	\$69,077	\$29,358	\$21,684	\$120,119
Paralegal	1.0	1040	\$27.59	\$28,694	\$12,195	\$7,228	\$48,117
Attorney	1.0	1040	\$43.92	\$45,677	\$19,413	\$7,228	\$72,318
Total				\$143,448	\$60,966	\$36,140	\$240,554

With increased licensure applications and renewal requests outpacing staffing capacity and capabilities, backlogs accrued at the department. The department has implemented several long-term measures to address these issues, including implementing a new information technology system, LicenseE. The department argues that health credentials application and renewal review require more hands-on processing that can be handed by LicenseE and, as a result, these positions would ensure the department maintains and improves the 38-day average credential processing time the department had achieved as of March 30, 2023.

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Authorizing the creation of these program revenue funded positions, which would extend the current ARPA-funded positions for which the funding expires on December 31, 2024, would allow the department to provide greater job security to incumbents and make recruitment and hiring easier. These positions, plus the 7.0 FTE PR project positions authorized in Act 19, would maintain the current successful level of service achieved by the ARPA-funded positions.

Health Care Credentialing Positions

The department requests the extension of 2.0 FTE PR project LPPA positions for health credential processing, which were authorized in 2021 Wisconsin Act 58, for two years, from October 1, 2023, to September 30, 2025. These positions have allowed the department to better manage its capacity to receive and process applications and required documents, process national and state examination scores, review applications, and respond to questions and concerns from applicants. These project LPPA positions have gained institutional knowledge that is important in providing expedited services. Extending these positions would allow the department to continue to improve application processing times and department efficiency. The funding for these positions would be provided by the general program operations appropriation under s. 20.165(1)(g), and the general program operations; medical examining board; interstate medical licensure compact; prescription drug monitoring program appropriation under s. 20.165(1)(hg).

Table 3: Project Position Extension Cost Breakout

FY & Title	Count	Hours	Rate	Salary	Fringe Benefits	Supplies/ Services	Total
FY24 LPPA	2.0	1,560	\$21.70	\$67,704	\$28,774	\$21,684	\$118,162
FY25 LPPA	2.0	2,080	\$22.14	\$92,102	\$39,143	\$28,912	\$160,157
				\$159,806	\$67,917	\$50,596	\$278,319

Customer Service Center Contractor Positions Funding Request

The department requests \$873,600 PR in fiscal year 2024-25 to retain the services of a third-party vendor for call center support currently funded with ARPA dollars. The department will continue to utilize ARPA funds through December 31, 2024, to fund this contractor. The requested funding would support 21 contracted call center staff from January 1, 2025, through June 30, 2025.

Act 19 provided the department with 6.0 FTE PR two-year project operations associate positions for the Customer Service Center. The Governor had recommended 14.0 FTE PR permanent office operations associate positions in his budget bill, arguing that these positions would allow the department to maintain the increased call answer rates of at least 90 percent (up from 37 percent prior to hiring the contracted staff) that it has achieved with the contracted positions. Without the program revenue funding to support the contract through the end of the biennium, the department does not believe it would be able to retain current service levels.

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Current call center success is the result of optimizing overall call center staffing through a combination of contract, permanent and project staff. The department believes that the call center will be less impacted by technological or process efficiencies since there will always be applicants who need human assistance and expect great customer service.

The funding requested for the contract in fiscal year 2024-25 is based on the utilization rate of 21 staff at 1,040 hours for a total of 21,840 hours at an estimated rate of \$40.00 per hour, totaling \$873,600. Of this amount, 70 percent would be allocated from revenues in the department's health care credentialing general program operations appropriation; 15 percent from the general program operations appropriation; and 15 percent from the safety and building general program operations appropriation. This split is intended to reflect the estimated distribution of health, business, trades and inspection calls.

Financial Specialist Position

The department requests the restoration of 0.25 FTE PR financial specialist position authority that was deleted in Act 19, plus associated funding. Prior to the deletion, the department was working with Human Resources to fill this position by combining it with 1.0 FTE PR vacant position to create two positions: a 0.60 FTE PR position and a 0.65 FTE PR position, both to support the Budget and Finance function. The department acknowledges the long vacancy period for the deleted position, but a reallocation could not occur until such time as there was a suitable vacancy. Act 19 did not delete the funding associated with the 0.25 FTE PR position; therefore, restoration of funding is unnecessary.

Recommendation:

Modify the request to approve \$118,200 PR in fiscal year 2023-24 and \$1,274,300 PR in fiscal year 2024-25. The modified amounts reflect that the requested \$16,507 PR in each year for the 0.25 FTE position is not needed, as it was not deleted in Act 19 under the long-term vacancy item.

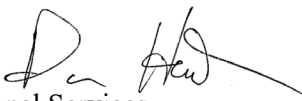
The department has supplemented budgeted funds with ARPA funds to great success, allowing the department to provide historic levels of service to Wisconsin license applicants and credential holders. Approval of the remainder of the request recognizes the importance of ensuring the continuation of department performance once federal ARPA funding expires on December 31, 2024.



MEMORANDUM

DATE: August 17, 2023

TO: Brian D. Pahnke, Administrator
 Division of Executive Budget and Finance
 Department of Administration

FROM: Dan Hereth, Secretary-designee 
 Department of Safety and Professional Services

RE: Request under Wisconsin Statutes §16.505 and §16.515 from the Department of Safety and Professional Services for Position Authority and Associated Funds

The Department of Safety and Professional Services (DPS) has supplemented budgeted funds with American Rescue Plan Act (ARPA) funds to invest in people, processes, and technology. These investments are paying dividends by allowing DPS to provide historic levels of service to Wisconsin license applicants and credential holders. Maintaining these investments is critical to ensuring Wisconsin continues to win the competition for workers and in turn can ensure Wisconsinites and businesses thrive and grow. This request recognizes the importance of ensuring the continuation of this historic performance, it maximizes the use of ARPA funding to ensure DPS continues to operate with the same level of resources that have positioned the agency to show continued success. We request a continuation of that funding by allowing DPS to utilize program revenue once federal funding expires on December 31, 2024.

Under Wisconsin Statute §16.505 DPS requests the project and contract position extensions detailed in the sections below and under §16.515 the funding to support these positions. DPS's request for the 2023–25 biennium maximizes both federal funding and program revenue (PR) funding for staff as well as funding provided for technology to support development of the systems to gain efficiencies.

The total funding authorization requested is \$1,425,487. Table A shows the funding requested by appropriation and confirms that there are sufficient cash balances to support this request. Note that the fund source for funds appropriated under §20.165(2)(kd), administrative services, is §20.165(2)(j).

Table A: Request By Fund Source

Item	Description	Total	20.165(1)(hg)	20.165(1)(g)	20.165(2)(j)	20.165(2)(kd)
A	Project Positions	\$ 240,554	\$ 240,554	\$ -	\$ -	\$ -
B	Project Positions Extension	\$ 278,319	\$ 139,160	\$ 139,160	\$ -	\$ -
C	Contract Positions	\$ 873,600	\$ 611,520	\$ 131,040	\$ 131,040	\$ -
D	Permanent 0.25 FTE	\$ 33,014	\$ -	\$ -	\$ -	\$ 33,014
	TOTAL	\$ 1,425,487	\$ 991,234	\$ 270,200	\$ 131,040	\$ 33,014
	Revenue Balance (End FY23)		\$ 4,090,323	\$ 27,397,803	\$ 13,157,482	

- A. DPS requests position authorization and funding support totaling \$240,554 for the continuation through the end of the biennium for five project positions that are currently ARPA funded once the ARPA funding expires. DPS will have 12 FTE project positions supported with ARPA funding through December 31, 2024 (the

ARPA end date). DSPS requests authorization for 1.0 FTE (PR) project attorney positions, 1.0 FTE (PR) project paralegal positions, and 3.0 FTE (PR) license permit program associate (LPPA) positions for the health team. The requested attorney position will provide legal support and guidance on credentialing matters, coordinate and conduct legal reviews of applications, and represent DSPS in administrative proceedings concerning credential denials. The requested paralegal position will be responsible for coordinating the legal review process for credentialing applications. This includes researching legal and factual issues, managing application files, and communicating with applicants regarding application status. The requested license permit program associate positions will assist the public and DSPS staff in the credential application and renewal process to determine whether the applicant satisfies all requirements of statutes, administrative rules, departmental policies, and internal credentialing procedures. For example, the LPPAs will assist in analyzing professional experience history for legitimacy, determining whether experience is appropriate for the application category and maintaining applicant data in the credentialing database. These five positions, plus the seven positions authorized in the 2023–25 budget, will maintain the current, successful level of service provided by the current 12 ARPA funded FTEs.

DSPS requests that these position end dates align with the seven credentialing project positions authorized in the 2023–25 biennial budget (2023 Act 19). All five positions are assumed to start on or after January 1, 2025; and end on September 30, 2027, the same end date as the currently authorized four-year project positions. Estimated costs for the second half of FY 25 are shown in Table A, which uses a fringe rate of 42.50%, and an overhead rate of \$6.95 per hour, and includes the general wage adjustment for salary. The hourly rates in the table reflect the estimated market rate for the broad-banded attorney and paralegal positions. LPPAs are not broad-banded and therefore there is no discretion in the rate. The requested funding for these positions is in numeric 128 which is utilized for health-related occupations that have the most complex and time-consuming applications, as well as other applications that require additional review.

Table B: Project Position Request (Rounded calculations)

Title	Count	Hours	Rate	Salary	Fringe	Supplies & Services	Total
LPPA	3	1040	\$ 22.14	\$ 69,077	\$ 29,358	\$ 21,684	\$ 120,119
Paralegal	1	1040	\$ 27.59	\$ 28,694	\$ 12,195	\$ 7,228	\$ 48,117
Attorney	1	1040	\$ 43.92	\$ 45,677	\$ 19,413	\$ 7,228	\$ 72,318
Total	5			\$ 143,448	\$ 60,966	\$ 36,140	\$ 240,554

B. DSPS requests the extension of 2.0 FTE (PR) LPPAs authorized in the 2021–2023 biennial budget (2021 Act 58) for two years from October 1, 2023, to September 30, 2025. The requested funding is for nine months in FY 24 and 12 months in FY 25. These positions are not broad banded. Table C reflects the total additional funding for these positions, applying a fringe rate of 42.50%, and an overhead rate of \$6.95 per hour, and includes the general wage adjustment for salary. The total estimated cost for these two positions is \$278,319 the cost for FY 24 totals \$118,162, and for FY 25 totals \$160,157. One position is currently 100 percent funded under §20.165(1)(g) and one 100 percent funded under §20.165(1)(hg) and DSPS requests to keep the same funding for the extension of the positions.

Table C: Project Position Extension Request (Rounded calculations)

Positions	Count	Hours	Rate	Salary	Fringe	Supplies & Services	Total
LPPAs for FY 24	2.00	1,560	\$ 21.70	\$ 67,704	\$ 28,774	\$ 21,684	\$ 118,162
LPPAs for FY 25	2.00	2,080	\$ 22.14	\$ 92,102	\$ 39,143	\$ 28,912	\$ 160,157
Total				\$ 159,806	\$ 67,917	\$ 50,596	\$ 278,319

- C. DSPS requests \$873,600 in FY 25 to retain the services of a third-party vendor for call center support. DSPS will continue to utilize ARPA funds through December 2024 to fund this contractor. Currently, DSPS utilizes a total of 37 FTE contract positions: 16 staff to assist with credential processing and 21 staff to work in the call center answering phone and email inquiries. DSPS anticipates scaling back the use of contract staff by 12 FTE, from 37 to 25 beginning in September of 2023 through December 31, 2024, reducing the head count to 25 in the contact center: four (4) for credential processing and 21 for call and email responses. DSPS plans to eliminate the document processing staff by December 31, 2024, and requests program revenue funding, once ARPA support is no longer available, to support the contracted call center staff level at 21 from January 1, 2025, through the end of the 2023-25 biennium, June 30, 2025.

Current call center success is the result of optimizing overall call center staffing through a combination of contract, permanent and project staff. DSPS believes that the call center will be less impacted by technological or process efficiencies since there will always be applicants who need additional assistance. The fact that licensing can be complex for certain individuals and occupations cannot be designed out of the system. These people will continue to seek assistance and expect great customer service. Recruitment will soon begin for the six FTE two-year call center project positions authorized in the 2023–25 biennial budget. At this time, the combination of DSPS staff plus implementation of efficiencies through realization of the full potential of the cloud-based licensing system, LicensE, will allow DSPS to continue to improve services to all credential seekers.

The funding requested for these positions in FY 25 is based on the utilization rate of 21 FTE at 1,040 hours for a total of 21,840 hours at an estimated rate of \$40.00 per hour and totals \$873,600. Of this amount 70% will be allocated from revenues in §20.165 (1)(hg) general program operations including medical board; 15% from §20.165(1)(g) general program operations, and 15% from §20.165(2)(j) safety and building operations, to reflect the estimated distribution of calls health, business, trades, and inspection related calls.

- D. DSPS requests the restoration of the 0.25 FTE (PR) financial specialist position and the associated funding that was deleted in the 2023–25 biennial budget. Prior to the recommended deletion DSPS was working with human resources planning to fill this position through combining it with 1.0 FTE vacant position to create two positions: one 0.60 FTE and one 0.65 FTE to support the Budget and Finance function. DSPS acknowledges the long vacancy period for the 0.25 FTE position, but a reallocation could not occur until such time as there was a suitable vacancy. The annual cost to fund the restoration of this fractional position is \$16,507, at the current minimum hourly rate for an entry level financial specialist of \$17.40 per hour, the fringe rate of 42.50% and overhead rate of \$6.95 per hour. The total cost of this position restoration for the 2023–25 biennium is \$33,014.

If you have questions regarding this request or need more information, please contact Lili Kelly, Budget and Policy Manager at lilian.kelly@wisconsin.gov or Deputy Secretary Donna Moreland at donna.moreland@wisconsin.gov.