

DEPARTMENT OF REGULATION AND LICENSING

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
GPR	0	2,873,100	0.0	2,873,100	0.0
PR-F	0	2,344,600	0.0	2,344,600	0.0
PR-O	13,746,500	45,689,000	232.4	45,689,000	0.0
PR-S	0	3,345,500	0.0	3,345,500	0.0
SEG-O	0	13,938,600	0.0	13,938,600	0.0
TOTAL	13,746,500	68,190,800	396.1	68,190,800	0.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
GPR	0.00	4.00	4.00	4.00	0.00
PR-F	0.00	21.60	21.60	21.60	0.00
PR-O	122.32	257.34	135.02	257.34	0.00
PR-S	0.00	28.36	28.36	28.36	0.00
SEG-O	0.00	68.30	68.30	68.30	0.00
TOTAL	122.32	379.60	257.28	379.60	0.00

AGENCY DESCRIPTION

The department is headed by a secretary who is appointed by the Governor with the advice and consent of the Senate. The department provides policy coordination and centralized administrative services for 68 boards, committees, councils and advisory committees, and oversees the regulation of 136 types of credentials and over 359,000 credential holders.

The department is comprised of four divisions. Professional Credentialing is responsible for all application processing, including determination of credential eligibility and credential renewal, consultation about continuing education, and examination requirements for regulated professions. Board Services is responsible for providing support to regulatory boards, including administrative support. Management Services provides administrative services such as planning, budget, accounting and information technology. Enforcement provides complaint investigations, prosecution services and a professional assessment program.

Boards attached to the department have independent responsibility to regulate specific professions; while the department oversees those professions for which it has direct licensing authority.

Department and board operations are funded through credential application, renewal and examination fees. A fee schedule for the application and renewal of all credentials is set by the department with legislative oversight. Examination fees are set by statute and administrative rule.

MISSION

The mission of the department is to protect the citizens of Wisconsin by ensuring the safe and competent practice of licensed professionals.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Professional Regulation

Goal: The credentialing authorities will set appropriate eligibility, education, examination and experience requirements, and make this information readily available to users of services.

Objective/Activity: Provide ongoing assessment, consultation and assistance to the credentialing authorities to ensure there is transparency, consistency and effectiveness in the eligibility process and continuing education process where applicable.

Objective/Activity: Promote the department's Web site and E-business services in order to focus the department's resources on higher priority needs and more direct consumer protection.

Objective/Activity: Represent Wisconsin's interests to national regulatory service agencies by participating in forums and conferences, and responding to issue surveys.

Objective/Activity: Create valid and reliable jurisprudence examinations for new professions.

Objective/Activity: Evaluate, administer and manage examination services from outside vendors, and conduct on-site performance audits.

Goal: The credentialing authorities will set and maintain practice standards essential to provide safe and effective services for consumers while weighing the effectiveness and need for changes in the profession brought about by new technology.

Objective/Activity: Provide training to credentialing authorities relative to their role.

Objective/Activity: Ensure that regulatory information is accessible through the department's Web site, press releases and other department communications.

Objective/Activity: Keep credentialing authorities informed of current developments, data, trends, legal opinions and issues related to their responsibilities.

Goal: The credentialing authorities will appropriately resolve complaints and discipline credential holders who violate professional standards.

Objective/Activity: Provide and manage a Professional Assessment Program (PAP).

Objective/Activity: Conduct reviews to monitor the screening, investigation, legal action and hearing stages of complaints to ensure compliance with the policies of the credentialing authority.

Objective/Activity: Perform inspections and audits of business establishments and entities to ensure compliance with applicable laws and rules.

Objective/Activity: Provide training to credentialing authorities relative to their role.

Objective/Activity: Prepare reports showing the number and nature of disciplinary actions and make that information accessible on the department's Web site.

PERFORMANCE MEASURES

2009 AND 2010 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2009	Actual 2009	Goal 2010	Actual 2010
1.	On-line renewal of credential holders via the Web site.	35%	70%	80%	85%
1.	Credentialing time frame for processing. ¹	N/A	N/A	7-10 business days	7-10 business days
1.	Complaint processing time. ¹	N/A	N/A	Reduce complaint processing time for 90% of cases to 24 months	Reduced complaint processing time for 100% of cases to 24 months
1.	Audit at least 1% of business establishments and entities annually to ensure compliance with the statutes and administrative rules. ^{1, 2}				
	Auctioneer	N/A	N/A	8	10
	Auction Company	N/A	N/A	2	3
	Real Estate Broker	N/A	N/A	127	176
	Cemetery Authority	N/A	N/A	1	2
	Cemetery Preneed Seller	N/A	N/A	2	4
1.	Inspections of new business establishments and entities to ensure compliance with the statutes and administrative rules. ^{1, 3}				
	Beauty Salons	N/A	N/A	10%	10%
	Drug Distributors	N/A	N/A	100%	100%
	Drug Manufacturers	N/A	N/A	100%	100%
	Pharmacy Locations	N/A	N/A	100%	100%
	Funeral Homes/Directors	N/A	N/A	100%	100%
1.	Increase E-business capacity.	Improve Web site, including adding a search component	Search component added	Add option for on-line application for five new professions	Added option for on-line application for two new professions

Note: Based on fiscal year.

¹New performance measure became effective in FY10 and, therefore, no goals or actuals for FY09.

²Types and count of current active licenses are approximately: Auctioneer, 843 licenses; Auction Company, 184 licenses; Real Estate Broker, 12,707 licenses; Cemetery Authority, 110 licenses; and Cemetery Preneed Seller, 179 licenses.

³The number of new establishments varies from year-to-year. Inspection requirements are: Beauty Salons, 10% of new establishments; Drug Distributors, 100% of all new distributors; Drug Manufacturers, 100% of all new manufacturers; Pharmacy Locations, 100% of all new locations; and Funeral Homes/Directors, 100% of all new funeral homes.

2011, 2012 AND 2013 GOALS

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
1.	On-line renewal of credential holders via the Web site.	90%	95%	95%
1.	Credentialing time frame for processing.	7-10 business days	7-10 business days	5-7 business days
1.	Complaint processing time.	Reduce complaint processing time for 90% of cases to 18 months	Reduce complaint processing time for 95% of cases to 18 months	Reduce complaint processing time for 95% of cases to 18 months
1.	Audit at least 1% of business establishments and entities annually to ensure compliance with the statutes and administrative rules. ¹			
	Auctioneer	8	8	8
	Auction Company	2	2	2
	Real Estate Broker	127	127	127
	Cemetery Authority	1	1	1
	Cemetery Preneed Seller	2	2	2
1.	Inspections of new business establishments and entities to ensure compliance with the statutes and administrative rules. ²			
	Beauty Salons	10%	10%	10%
	Drug Distributors	100%	100%	100%
	Drug Manufacturers	100%	100%	100%
	Pharmacy Locations	100%	100%	100%
	Funeral Homes/Directors	100%	100%	100%
1.	Increase E-business capacity.	Add option for on-line application for an additional five new professions	Additional five new professions for a total of 10	Additional five new professions for a total of 15

Note: Based on fiscal year.

¹Types and count of current active licenses are approximately: Auctioneer, 843 licenses; Auction Company, 184 licenses; Real Estate Broker, 12,707 licenses; Cemetery Authority, 110 licenses; and Cemetery Preneed Seller, 179 licenses.

²The number of new establishments varies from year-to-year. Inspection requirements are: Beauty Salons, 10% of new establishments; Drug Distributors, 100% of all new distributors; Drug Manufacturers, 100% of all new manufacturers; Pharmacy Locations, 100% of all new locations; and Funeral Homes/Directors, 100% of all new funeral homes.

DEPARTMENT OF REGULATION AND LICENSING

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Increase Employee Contributions to Pension and Health Insurance
2. Budget Efficiencies
3. Eliminate Long-Term Vacancies
4. Technical Modification
5. Department of Safety and Professional Services
6. Real Estate Examining Board
7. Thermal System Insulation Mechanics License
8. Transfer State Approving Agency Function
9. Substitution of Drug Equivalents
10. Lapse of Surplus Revenue
11. Extend Medical Board Project Positions
12. Medical Examining Board Investigator Position
13. Gifts and Grants Appropriation
14. Standard Budget Adjustments

ITEMS NOT APPROVED

15. Rent Increase
16. Funding to Hire Contract Staff to Perform Audits
17. Examinations Appropriation Reestimate
18. Real Estate Appraisal Review
19. Expert and Witness Fees
20. Funding to Hire Contract Staff to Perform Inspections
21. Funding for Division of Enterprise Technology Rate Increases
22. Investigation Reimbursement Appropriation Reestimate

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	\$0.0	\$0.0	\$0.0	\$0.0	\$2,873.1	\$2,873.1
State Operations	0.0	0.0	0.0	0.0	435.5	435.5
Local Assistance	0.0	0.0	0.0	0.0	2,338.6	2,338.6
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	99.0	99.0
FEDERAL REVENUE (1)	\$0.0	\$0.0	\$0.0	\$0.0	\$2,344.6	\$2,344.6
State Operations	0.0	0.0	0.0	0.0	2,344.6	2,344.6
PROGRAM REVENUE (2)	\$13,572.4	\$13,746.5	\$16,420.3	\$16,452.7	\$49,034.5	\$49,034.5
State Operations	13,572.4	13,746.5	16,420.3	16,452.7	33,868.4	33,868.4
Local Assistance	0.0	0.0	0.0	0.0	14,655.6	14,655.6
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	510.5	510.5
SEGREGATED REVENUE (3)	\$0.0	\$0.0	\$0.0	\$0.0	\$13,938.6	\$13,938.6
State Operations	0.0	0.0	0.0	0.0	9,208.8	9,208.8
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	4,729.8	4,729.8
TOTALS - ANNUAL	\$13,572.4	\$13,746.5	\$16,420.3	\$16,452.7	\$68,190.8	\$68,190.8
State Operations	13,572.4	13,746.5	16,420.3	16,452.7	45,857.3	45,857.3
Local Assistance	0.0	0.0	0.0	0.0	16,994.2	16,994.2
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	5,339.3	5,339.3

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Program (in FTE positions) (4)

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	0.00	0.00	0.00	4.00	4.00
FEDERAL REVENUE (1)	0.00	0.00	0.00	21.60	21.60
PROGRAM REVENUE (2)	122.32	124.45	124.45	285.70	285.70
SEGREGATED REVENUE (3)	0.00	0.00	0.00	68.30	68.30
State Operations	0.00	0.00	0.00	67.30	67.30
Aids to Ind. & Org.	0.00	0.00	0.00	1.00	1.00
TOTALS - ANNUAL	122.32	124.45	124.45	379.60	379.60
State Operations	122.32	124.45	124.45	378.60	378.60
Aids to Ind. & Org.	0.00	0.00	0.00	1.00	1.00

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

**Table 3
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
1. Professional Regulation and Administrative Services	\$13,572.4	\$13,746.5	\$16,420.3	\$16,452.7	\$18,439.8	\$18,439.8
2. Safety and Buildings	\$0.0	\$0.0	\$0.0	\$0.0	\$49,751.0	\$49,751.0
TOTALS	\$13,572.4	\$13,746.5	\$16,420.3	\$16,452.7	\$68,190.8	\$68,190.8

**Table 4
Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
1. Professional Regulation and Administrative Services	122.32	124.45	124.45	159.70	159.70
2. Safety and Buildings	0.00	0.00	0.00	219.90	219.90
TOTALS	122.32	124.45	124.45	379.60	379.60

(4) All positions are State Operations unless otherwise specified

1. Increase Employee Contributions to Pension and Health Insurance

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-529,100	0.00	-529,100	0.00
TOTAL	0	0.00	0	0.00	-529,100	0.00	-529,100	0.00

The Governor recommends increasing state employee contributions towards pension and health insurance costs. Employees will generally pay 50 percent of the total required retirement contribution, which for calendar year 2011 equals 5.8 percent of salary. The Governor further recommends increasing employee contributions for health insurance from approximately 6 percent of the premium to 12.6 percent of the premium. These modifications are necessary to bring state employee compensation in line with private sector employment and reduce compensation costs.

2. Budget Efficiencies

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-459,700	0.00	-459,700	0.00
TOTAL	0	0.00	0	0.00	-459,700	0.00	-459,700	0.00

The Governor recommends reducing funding, excluding salary and fringe benefits, in most GPR and PR appropriations by 10 percent to create additional efficiencies and balance the budget.

3. Eliminate Long-Term Vacancies

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-128,900	-2.75	-128,900	-2.75
TOTAL	0	0.00	0	0.00	-128,900	-2.75	-128,900	-2.75

The Governor recommends eliminating position authority and related funding for positions that have been vacant for longer than 12 months.

4. Technical Modification

The Governor recommends incorporating position changes related to budget repair legislation.

5. Department of Safety and Professional Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	2,873,100	4.00	2,873,100	4.00
PR-F	0	0.00	0	0.00	2,010,900	18.60	2,010,900	18.60
PR-O	0	0.00	0	0.00	32,145,700	135.64	32,145,700	135.64
PR-S	0	0.00	0	0.00	3,345,500	28.36	3,345,500	28.36
SEG-O	0	0.00	0	0.00	13,938,600	68.30	13,938,600	68.30
TOTAL	0	0.00	0	0.00	54,313,800	254.90	54,313,800	254.90

The Governor recommends changing the name of the department to the Department of Safety and Professional Services to better reflect the broader scope of the agency. The Governor also recommends transferring certain regulatory functions from the Department of Commerce and the Department of Agriculture, Trade and Consumer Protection for the purpose of consolidating similar functions and increasing administrative efficiency (see Department of Commerce, Item #4). The expenditure authority transferred from the Department of Commerce already assumes the budget efficiency reductions. The Governor further recommends transferring 1.0 FTE position from the Department of Administration related to the human resource consolidation authorized in 2005 Wisconsin Act 25. See Department of Administration, Item #18.

6. Real Estate Examining Board

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-5,000	0.00	-5,000	0.00
TOTAL	0	0.00	0	0.00	-5,000	0.00	-5,000	0.00

The Governor recommends converting the Real Estate Board to the Real Estate Examining Board and transferring most of the department's duties and powers regulating real estate practice to the Real Estate Examining Board, including the promulgation of administrative rules and approval of the forms used in real estate practice.

7. Thermal System Insulation Mechanics License

The Governor recommends eliminating the requirement that thermal system insulation mechanics be licensed by the state. This type of certification was created in 2009 Wisconsin Act 16, but there are no significant safety issues related to this profession, and the licensing requirements present a significant administrative barrier and cost to individuals entering the profession. The associated expenditure and position authority has been removed at the Department of Commerce as a long-term vacancy. See Department of Commerce, Item #3.

8. Transfer State Approving Agency Function

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	0	0.00	0	0.00	333,700	3.00	333,700	3.00
TOTAL	0	0.00	0	0.00	333,700	3.00	333,700	3.00

The Governor recommends transferring the state approving agency responsibilities related to approving educational institutions to receive federal G.I. Bill funding from the Department of Veterans Affairs to the department to consolidate similar functions and improve the efficiency of operations. See Department of Veterans Affairs, Item #12.

9. Substitution of Drug Equivalents

The Governor recommends authorizing nursing homes to develop guidelines and procedures on the substitution of chemically equivalent prescription drugs for patients to increase the utilization of generic drugs and reduce health care costs. This authority is currently provided to hospitals.

10. Lapse of Surplus Revenue

The Governor recommends lapsing surplus program revenues to the general fund at the end of each biennium, less 10 percent of the prior year's expenditures. This will have no impact on the operations of the department and is consistent with the policy that applies to program revenues collected by the Department of Financial Institutions.

11. Extend Medical Board Project Positions

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	114,000	2.00	114,000	2.00	114,000	2.00	114,000	2.00
TOTAL	114,000	2.00	114,000	2.00	114,000	2.00	114,000	2.00

The Governor recommends a two-year extension for 2.0 FTE project positions in the Medical Examining Board. These positions are addressing a backlog of complaint investigations to ensure rapid resolution of cases.

12. Medical Examining Board Investigator Position

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	8,400	0.13	8,400	0.13	8,400	0.13	8,400	0.13
TOTAL	8,400	0.13	8,400	0.13	8,400	0.13	8,400	0.13

The Governor recommends increasing expenditure and position authority to make a Medical Examining Board investigator position full-time.

13. Gifts and Grants Appropriation

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	200,000	0.00	200,000	0.00	0	0.00	0	0.00
TOTAL	200,000	0.00	200,000	0.00	0	0.00	0	0.00

The Governor recommends creating a gifts and grants appropriation to permit the department to accept and use grants and donated funds for the purposes provided.

14. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	1,087,500	0.00	1,087,500	0.00	797,100	0.00	797,100	0.00
TOTAL	1,087,500	0.00	1,087,500	0.00	797,100	0.00	797,100	0.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$145,200 in each year); (b) full funding of continuing position salaries and fringe benefits (\$864,800 in each year); and (c) full funding of lease and directed moves costs (\$77,500 in each year).

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Department of Regulation and Licensing.

Decision Item	Source of Funds	FY12		FY13	
		Dollars	Positions	Dollars	Positions
15. Rent Increase	PR-O	34,800	0.00	35,900	0.00
16. Funding to Hire Contract Staff to Perform Audits	PR-O	108,200	0.00	108,200	0.00
17. Examinations Appropriation Reestimate	PR-O	650,000	0.00	650,000	0.00
18. Real Estate Appraisal Review	PR-O	82,100	0.00	82,100	0.00
19. Expert and Witness Fees	PR-O	94,000	0.00	94,000	0.00
20. Funding to Hire Contract Staff to Perform Inspections	PR-O	67,600	0.00	67,600	0.00
21. Funding for Division of Enterprise Technology Rate Increases	PR-O	102,800	0.00	134,100	0.00
22. Investigation Reimbursement Appropriation Reestimate	PR-O	124,400	0.00	124,400	0.00
TOTAL OF ITEMS NOT APPROVED	PR-O	1,263,900	0.00	1,296,300	0.00