



DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

2013 - 2015 Biennial Report

October 2015

INTRODUCTION

The 236 regulated professions and industries within the Department of Safety and Professional Services (DPS) have a significant impact on the economy and the health, safety, and welfare of Wisconsin's residents. This report assesses the contribution of DPS to Wisconsin's economy specifically focusing on the health care, construction, and real estate industries. Without the Department's regulatory oversight, proper functioning of these industries could not be maintained.

Highlights from this report include:

- Since its creation, DPS has made great strides to increase responsiveness, drive productivity, and reduce operational costs to meet the increasing demands of its customers while making efficient use of valuable taxpayer dollars.
- Earning \$19 billion annually on average, health and business professionals credentialed by DPS are a vital component to economic growth in Wisconsin.
- In 2009, health care professionals credentialed by DPS generated \$40 billion in economic activity, almost 17% of Wisconsin's gross state product.
- With DPS regulatory oversight, the construction sector safely and competently contributed approximately \$9 billion to Wisconsin real gross domestic product (GDP) in 2013.
- With DPS regulatory oversight, the construction sector provided over 160,000 well-paying jobs to Wisconsin workers in 2013.
- Construction projects regulated by DPS can be effective economic stimuli that create jobs and increase spending in a wide range of other sectors of the economy.
- With DPS regulatory oversight, the real estate industry accounted for \$33.5 billion or 12.7% of Wisconsin GDP in 2013.
- When a real estate professional credentialed by DPS sells a home in Wisconsin, it generates over \$13,000 in income from real estate related industries; over \$5,000 in additional expenditures on consumer items such as furniture, appliances, and paint services; and over \$3,000 in expenditures on remodeling within two years of the home purchase.

MISSION

The mission of the Department of Safety and Professional Services is to promote economic growth and stability while protecting the citizens of Wisconsin as designated by statute.

PURPOSE

- competent practice of licensed professionals
- safety of the construction and use of public and private buildings
- compliance with professional and industry standards

The contribution this Department makes to Wisconsin's economy far exceeds these numbers alone, as every day over 440,000 credential holders go to work in a DSPS regulated industry.¹

This report contains four parts. The first section provides a general overview of the Department's roles and responsibilities and describes recent process improvements for greater Departmental productivity. The second section assesses the economic contribution of DSPS through the regulation of the health care industry. The third section examines the impact of DSPS on the Wisconsin economy through the regulation of the construction industry. The fourth section evaluates the economic impact of DSPS through the regulation of the real estate industry.

¹ For a complete list of DSPS regulated industries please visit: <http://dsps.wi.gov/Licenses-Permits/Credentialing>.

GENERAL RESPONSIBILITIES AND RECENT ACCOMPLISHMENTS

DSPS protects the citizens of Wisconsin by ensuring safe and competent practice of licensed professionals and safe and sanitary conditions in public and private buildings. Divisions within DSPS perform a variety of tasks to successfully accomplish this mission.

DIVISION RESPONSIBILITIES

DSPS protects the citizens of Wisconsin by ensuring safe and competent practice of licensed professionals and safe and sanitary conditions in public and private buildings.

The Division of Policy Development (DPD) provides administrative support and policy guidance to the professional boards in the state by facilitating board meetings, serving as a liaison between the boards and the Department, and managing the administrative rule promulgation process for the boards and for professions that are directly regulated by the Department. DPD also oversees credentialing examination and education requirements by developing and administering exams, managing exam agreements with third-party exam providers and approving pre-license and continuing education requirements. *From July 2013 – June 2015, DPD provided administrative services to over 50 boards and councils and facilitated approximately 475 meetings related to board activities.*

The Division of Professional Credential Processing (DPCP) processes all credential applications and oversees credential eligibility, renewal, and continuing education requirements for regulated professions. *Between July 2013 and June 2015, DPCP processed roughly 57,000 initial applications for licensure and over 337,000 applications for licensure renewal. As of June 2015, there were over 440,000 active credential holders.*

The Division of Legal Services and Compliance (DLSC) provides legal services to professional boards and the department regarding the investigation and discipline of licensed credential holders for violations of professional regulations. The Division is also responsible for the complaint intake process, monitoring compliance with disciplinary orders, managing a confidential program for impaired professionals, performing audits of trust accounts, and conducting business inspections for pharmacies, drug distributors and manufacturers, funeral establishments, and barber and cosmetology schools and establishments.

The Division of Industry Services (DIS) is comprised of two bureaus, an Administrative Services Section and the Fire Prevention Program.

The Bureau of Field Services performs inspections of commercial buildings, amusement rides, boilers, elevators, pressurized gas systems, and electrical systems. The bureau also performs plans review of elevators, boilers, and private onsite wastewater treatment systems and is responsible for auditing third party and municipal inspection agencies.

The Bureau of Technical Services performs commercial building, plumbing and fire suppression plan review. The bureau is also responsible for administering the Uniform Dwelling Code program, the federal HUD Manufactured Housing program, and provides consultations and training to local building officials and commercial and residential contractors.

In the past biennium, DIS conducted approximately 40,000 plan reviews and more than 140,000 inspections.

The Administrative Services Section provides administrative support to internal and external stakeholders. It also administers the Rental Weatherization program for rental properties. The Fire Prevention Program administers the 2% Fire Dues program and provides consultation, support, and training to over 800 fire departments throughout the state.

Since its creation, DSPS has made great strides to increase responsiveness, drive productivity, and reduce operational costs in order to meet the increasing demands of its customers while making efficient use of valuable taxpayer dollars.

The Division of Management Services provides administrative services to the Office of the Secretary and all other Divisions within the Department. These services include human resources, payroll, planning, budget, and accounting.

RECENT ACCOMPLISHMENTS

In the past biennium, DSPS has made great strides to increase responsiveness, drive productivity, and reduce operational costs to meet the increasing demands of its customers while making efficient use of valuable taxpayer dollars.

Reducing Prescription Drug Abuse

In June of 2013, DPD implemented the Wisconsin Prescription Drug Monitoring Program (WI PDMP), a tool to combat the prescription drug misuse and abuse problem in Wisconsin. As a highly secure database, the WI PDMP stores data about controlled substances dispensed to individuals in Wisconsin. Pharmacies and other dispensers of prescription drugs collect and submit data to the WI PDMP database. From there, authorized users, such as physicians, physician assistants, dentists, advanced practice nurse prescribers, pharmacists, and other healthcare professionals, may obtain data stored in the WI PDMP database to verify prescription information before prescribing or dispensing controlled substances to their patients.

The WI PDMP database currently stores over 30 million prescription records. Approximately 1,800 dispensers submit data to the PDMP, and over 13,000 healthcare users have query accounts. Those users have performed over 2 million patient queries since the database became fully operational. Nearly 70,000 of the patient queries have been multiple state searches, a type of search that allows providers to view their patients' prescription histories from other states in addition to Wisconsin. Providers in Wisconsin can currently receive data from 14 other states, including the neighboring states of Illinois, Iowa, Michigan, and Minnesota. *Wisconsin is one of only 4 states nationwide that shares prescription data with all of its border states.*

The WI PDMP helps to improve patient care and safety, reduce the abuse and diversion of prescription drugs in Wisconsin, and ensure that patients with a legitimate medical need for prescription medications are not adversely affected.

The WI PDMP has proven to *reduce 'doctor shopping' by an average of 25% when comparing one month in 2013 to the same month in 2014.* 'Doctor shopping' occurs when an individual visits 4 or more prescribers or 4 or more pharmacies within one calendar month.

Since the implementation of the WI PDMP, DSPS staff members have traveled the state educating stakeholders and the public through outreach and training events, and by taking part in several Alcohol and Other Drug Abuse prevention events. DSPS has also partnered with sovereign tribes and the Indian Health Services (IHS) to participate in the WI PDMP. WI PDMP staff members continue to strengthen state tribal collaboration through outreach to the Great Lakes Inter-Tribal Council, Inc., tribal leaders, tribal health directors, and tribal law enforcement.

Issuing Licenses More Quickly

DSPS issues credentials to more than 230 professions. Prompt license issuance is vitally important to help individuals enter the workforce quickly. Swift licensure is also central to creating a broad base of talented individuals to fill the many employment openings in the state of Wisconsin.

DPCP developed the Online License Application System (OLAS) that allows individuals to apply and pay fees for professional credentials online. This system significantly decreases the turnaround time for applicants to receive their professional credential and begin working in Wisconsin.

Since the implementation of OLAS, many professions have seen a significant decrease in the number of days between receipt of an application and granting of licensure.

The Prescription Drug Monitoring Program has reduced 'doctor shopping' by an average of 25% when comparing one month in 2013 to the same month in 2014.

Since the implementation of Nursing OLAS, the processing time between receipt of an application and NCLEX authorization has decreased by 90 percent on average.

A sample of 10 percent of nursing applicants in 2013 showed that DSPS granted OLAS applicants permission to take the required National Council Licensure Examination (NCLEX) one to two business days after the receipt of the OLAS application from the school and *granted OLAS applicants a license one to two business days* after receipt of NCLEX exam results. Using the paper method it took one to five business days for the application to reach credentialing staff from the mail room and another 17 business days (on average, while waiting for additional paperwork) before DSPS granted permission to take the NCLEX exam. Since the implementation of Nursing OLAS, the processing time between receipt of an application and NCLEX authorization has decreased by 90 percent on average.

As of June, 2015 DPCP has implemented OLAS for physicians; licensed practice nurses; registered nurses; real estate brokers, business and salespersons; timeshare salespersons; private detectives and private detective agencies; private security personnel; and all boxing and mixed martial arts professionals. DPCP continues to expand OLAS to other professions.

Number of days saved, on average, by applicants using the OLAS credentialing system	
Physicians	117 days
Real Estate Broker	110 days
Real Estate Salesperson	75 days
Licensed Practical Nurse	57 days
Registered Nurse	44 days

DPCP has also encouraged applicants to renew their credentials online via the website. *As a result, 95% of health and business credential holders renewed their licenses electronically in the past biennium.* The Division also implemented a live call center that allows customers and the general public to contact the Department via telephone and speak with a live representative to address their immediate concerns.

New in 2015, DPCP has introduced the Online License Verification System (OLVS). OLVS allows Wisconsin credential holders to electronically request license verifications be sent to other state credentialing authorities when individuals are seeking licensure in other states. *OLVS saves, on average, 5-6 days in the verification process.*

Creating Efficiencies

DSPS Division of Industry Services

In 2015, DIS began distributing industry information, statutory and regulatory updates, and information about upcoming Board and Council meetings through an automatic email service. Tradespeople can receive timely updates about topics that will affect their professional practice directly from DIS, ensuring the information is both factual and trustworthy.

DIS installed updates to the online tool that businesses use to schedule plan reviews for upcoming building projects. The updates to this system allow customers to better understand when their plans will be reviewed, how many hours that review will take, and when they can expect to hear back from DSPS. Previously, the electronic system did not reflect true work times, which made it difficult for businesses to plan and adequately hire for their upcoming building projects. DIS also eliminated a duplicative fee within the plan review process. Prior to 2015, businesses would pay a plan review fee when they submitted their initial building plan, and also paid a second fee when they submitted the plans for components such as plumbing or HVAC systems. *Business are now required to pay only one fee to the Department* for review of both their building and component systems

A recent change in the DIS plan review submittal process eliminated a duplicative and unnecessary fee, directly reducing costs to customers.

The plumbing program within DIS created a single method of communication for customers to submit their questions to DSPS. Previously, customers would contact individual staff members to submit questions about the plumbing code; this approach meant that customers occasionally had to wait long periods of time to hear back from the Department, and some inquiries were lost due to staff turnover or leave. Under the most recent changes, *customers now submit questions to a single phone line and email box, expediting DSPS response time and ensuring that all inquiries and subsequent responses are logged* by the Department.

Clearing the Red Tape

The Division of Policy Development is dedicated to creating and enforcing common-sense licensure and regulation requirements. The goal of this approach is to *create a clear pathway to licensure and employment, and provide clarity to license holders as they move through their professional practice.*

To that end, DSPS supported the passage of 2013 Wisconsin Act 114. Act 114 allows applicants to take their credentialing examination prior to completing education requirements for their license. The Act, while not changing the requirements to obtain a professional credential, allows an applicant the flexibility to complete the requirements on his or her own timetable. As a result, the applicant can

become licensed and begin working as soon as their educational training is completed. Previously, applicants had to complete their education before they took their exam, which meant waiting until the next scheduled exam date, sometimes months after graduation. Act 114 affords regulated professionals the *opportunity to enter the workforce more quickly* upon completion of their education.

Under the guidance of DPD, a number of Boards and Councils altered administrative rules to provide common-sense guidance in licensure and regulation of professions. For example:

The Division of Policy Development and the professional boards managed by the Division identified and changed administrative rules that hindered job creation and small business growth including implementing less burdensome paths to licensure.

- The Pharmacy Examining Board amended administrative rule Phar 7 to allow patients to have prescription medical delivered to the location of their choice, rather than just their residence. This gives improved access to pharmaceutical care for mobility-challenged individuals.
- The Podiatry Affiliated Credentialing Board changed the duration of a Podiatry Temporary Education License from 1 to 2 years. Previously, podiatry graduate students had to reapply for their Temporary Education License halfway through their postgraduate training; the updated licensure saves both time and money for DSPS customers.
- The Psychology Examining Board removed the requirement that all applicants must personally appear before the board in order to obtain a license.
- The Examining Board of Architects, Engineers, Designers, Landscape Architects and Land Surveyors amended rules to allow for a credential holder's documents to be signed, sealed or stamped by electronic means.

DPD has worked to *create predictability* in the enforcement of administrative rules by updating forms to better align with statutory requirements and codifying internal policy procedures; this gives members of the public *clear expectations* of what they can expect when they walk through the doors of our agency. The Division has also greatly *increased transparency* in the rule writing process by using the website to notice public comment periods on all rule projects.

In 2014, the Division began offering biannual training sessions to educate board members of the statutorily derived board roles and processes. These trainings result in more efficient and effective board operations.

Saving Taxpayer Dollars

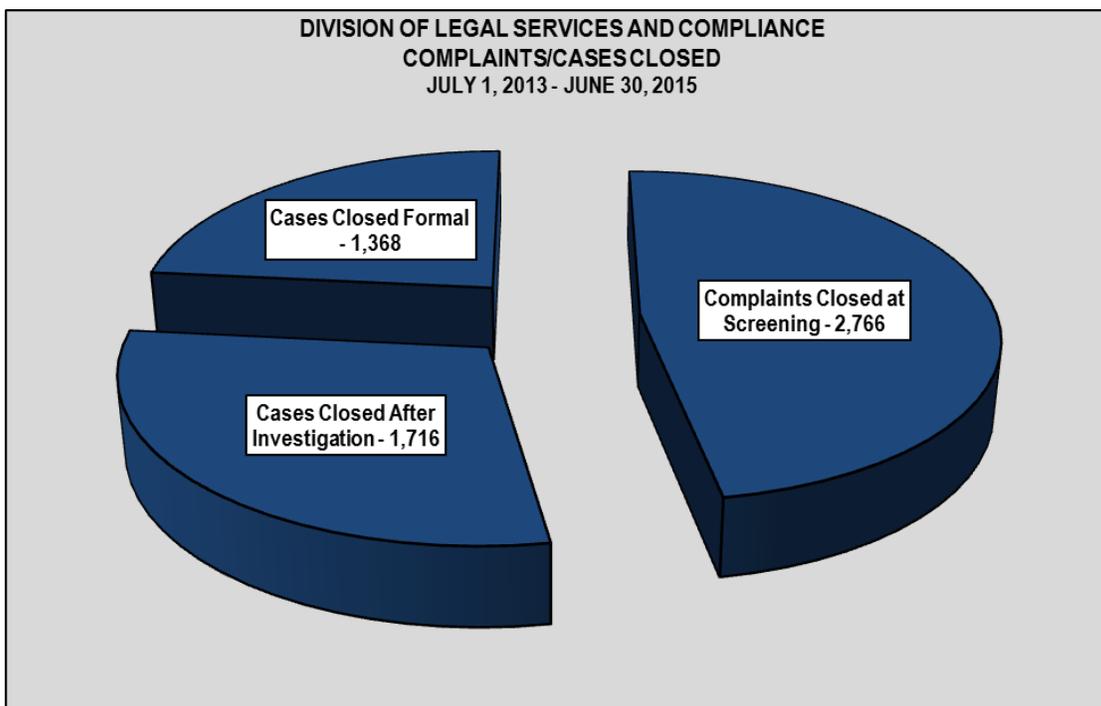
In 2014, DSPS focused on increasing the quantity and quality of electronic services offered to our customers. As result of efforts in this area, DSPS has been able to minimize our physical footprint across the state. In the previous biennium, DSPS closed an office in Milwaukee, WI and consolidated staff into a state office building located in Waukesha, WI. In June 2015, DSPS vacated an office building in Stevens Point, WI by allowing inspection staff to work from mobile locations. *Closing the DSPS office in Stevens Point resulted in an estimated savings of over \$23,000.*

DLSC has implemented a paperless screening panel process for 27 of the 51 Boards and Councils. This change resulted in an *annual cost savings of approximately \$38,000.* The paperless process ensures enhanced security, real time updates and delivery of documents, ability for Board and Council members to recreate misplaced documents, and greater ability to locate and distribute documents efficiently. DPD provides electronic board agendas in place of paper agendas for an *estimated annual savings of \$21,000.*

Protecting the Public

The Division of Legal Services and Compliance made several recent advances to their investigative services to better protect the public.

Between July 2013 – June 2015, DLSC received 6,056 complaints from the public. In that same time frame, DLSC resolved 5,850 complaints; 1,368 of those cases were closed by assigning formal discipline or licensure limitations.



Prior to 2014, complaints against licensed tradespersons were reviewed and investigated by staff in the Division of Industry Services. In an effort to provide standardized services to all customers, those duties were transferred to DLSC in October of 2014.

DLSC also administers the Professional Assistance Procedure (PAP). PAP is a voluntary program that encourages individuals to seek help for their substance abuse impairment in a non-disciplinary environment. PAP monitors participants' progress in treatment with an approved provider, as well as random drug and alcohol screens. *The goal of the PAP is to assist licensed professionals in recovering from substance abuse, while also ensuring the safety of the public by supervising an individual's treatment.*

As part of its role in protecting the public, DLSC monitors compliance of approximately 1,450 credential holders that have been issued a disciplinary order. Monitoring ensures compliance with disciplinary requirements assigned by the Department or a Board or Council. DLSC also completed 260 inspections of pharmacies, drug distributors and manufacturers, funeral establishments, and barber and cosmetology schools and establishments within the past biennium.

Improving Customer Service

The Department initiated numerous customer-driven changes in 2014. All emails sent by Department staff include a link allowing customers to provide instant feedback regarding their experience. DSPS management analyzes the feedback to quickly respond to customers' needs. DPCP used customer feedback to update their internal call tree to more quickly and accurately connect customers with the appropriate staff. DPCP also created joint mailboxes for emails to allow each credentialing unit to provide centralized services to customers. With several staff sharing the responsibility of monitoring a mailbox, joint mailboxes result in prompt responses to customer queries.

The Division of Industry Services worked with a major national retailer to ensure public safety while repairs were made in over 30 stores across the state.

The Division of Industry Services routinely worked with customers to help them achieve code compliance with minimal impact to construction progress and business operations. As an example, the Division sent an inspector over the weekend to review a recently fixed amusement ride to ensure the ride's functionality and safety for the opening day of a fair. In 2014, Industry Services also worked with a major retailer to monitor building safety while repairs were being made to correct a code violation found in over 30 stores across the state. The Division of Management Services assisted Industry Services in increasing their visibility to customers through professional signage.

HEALTH AND BUSINESS REGULATION

Occupational regulation in Wisconsin began in 1882 with the creation of the Pharmacy Examining Board. This board set the credential requirements for pharmacists, granted credentials, promulgated administrative rules applicable to pharmacists, and collected credential fees. Between 1882 and 1965, 16 additional independent examining boards or councils were created that had separate budgets and directly employed staff (Austin 2013).

Several extensive reorganizations of Wisconsin state government in the mid-1960s sought to improve operational efficiency and responsiveness to the public. A substantial reorganization of the executive branch resulted from the Kellett Commission, named after its chair, William R. Kellett. Many of the Kellett Commission's proposals impacted occupational licensure in Wisconsin, including the creation of a single Department of Regulation and Licensing (DRL) to provide centralized administrative services to the existing independent examining boards and councils. Under the consolidated administrative structure, each board maintained the independent regulation of its own profession, and the Department took on the direct regulation of specific professions where no examining board existed. These recommendations became law in 1967 (Chapter 75, Laws of 1967; Austin 2013).

Earning \$19 billion annually on average, health and business professionals credentialed by DSPS are a vital component to economic growth in Wisconsin.

In 2011, the Department of Safety and Professional Services was created and assumed all responsibilities performed by the former DRL and certain functions performed by the former Department of Commerce (2011 Wisconsin Act 32; Austin 2013).

Currently, DSPS credentials 236 professions, 130 of which are related to health and business. In June 2015, over 400,000 health and business professionals credentialed by DSPS worked in the state of Wisconsin earning *\$19 billion dollars annually on average.*² These professionals contribute to economic growth in Wisconsin by spending their earnings at Wisconsin businesses, providing in-state capital for business investment and job creation, and supporting state and local governments through the payment of a variety of taxes.

² Annual average earnings for professions with many subcategories such as Professional Engineering were calculated by taking a weighted average based on May 2013 employment estimates of the subcategories. Annual average earnings for professionals "in-training" were calculated by dividing the annual average earning for a fully credentialed professional by two. The total annual earnings for all credential holders in each profession were estimated by multiplying the number of active licenses in each profession by the most recent estimates of average annual earnings for professions in Wisconsin as provided in the Occupational and Employment Statistics (Wisconsin Department of Workforce Development 2013).

HEALTH CARE INDUSTRY

The Centers for Medicare and Medicaid Services (CMS), a federal agency within the United States Department of Health and Human Services (DHHS), estimates that *roughly \$40 billion³ were spent on health care services in Wisconsin in 2009* (Centers for Medicare and Medicaid Services 2011).⁴

Professionals credentialed by DSPS account for the vast majority of health spending in Wisconsin. DSPS ensures the safe and competent practice of 62 different health professions. Appendix A provides a complete list of health-related professions and boards under the purview of DSPS.

In 2009, health care professionals credentialed by DSPS generated \$40 billion in economic activity, almost 17% of state gross domestic product.

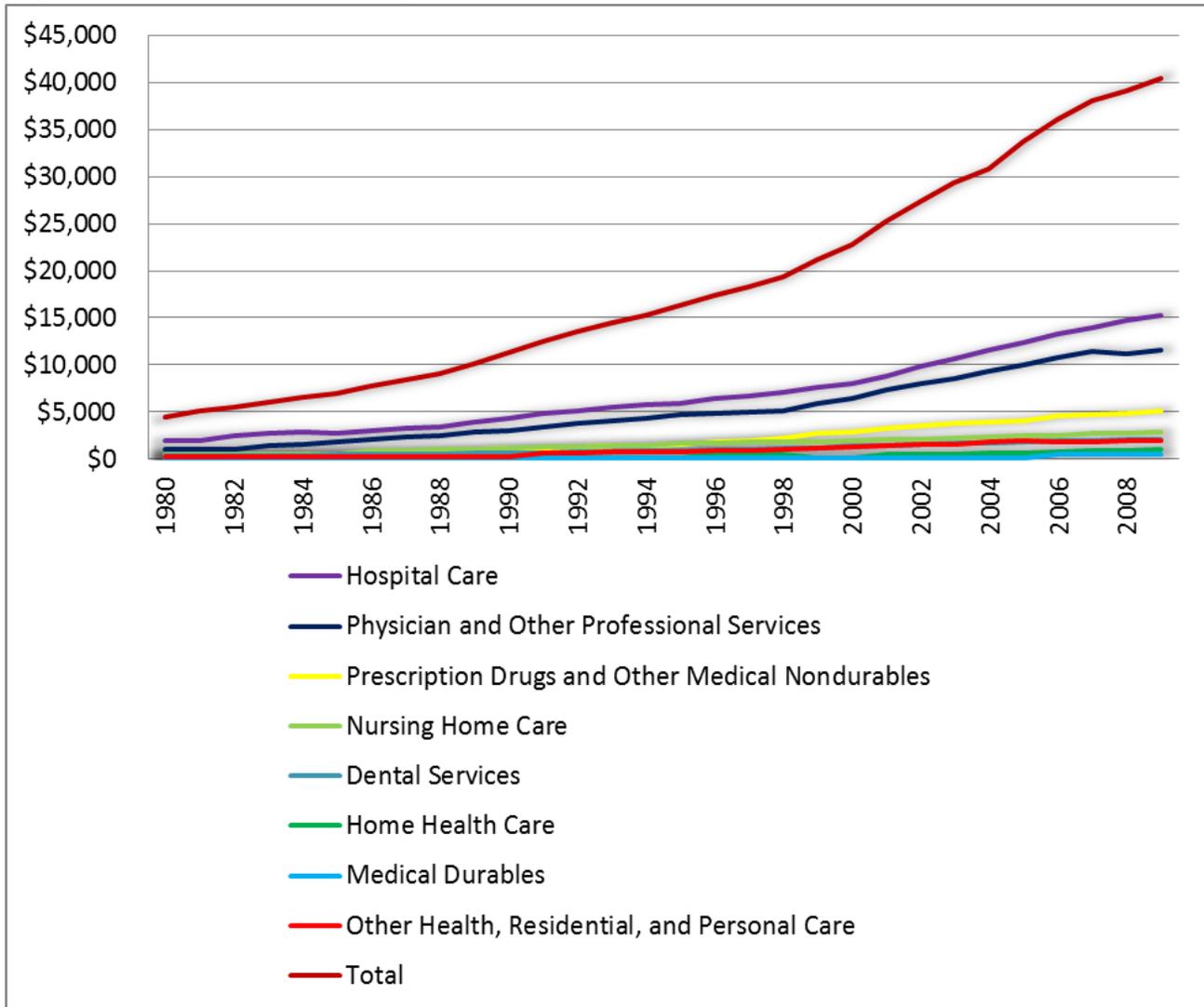
Between July 2013 and June 2015, the Department processed approximately 33,000 initial credentials and over 213,000 renewals for health care professionals. As of June 2015, there were over 213,000 active Wisconsin credential holders in health care professions. DSPS provides administrative services to 27 health-related boards and councils.

³ The data used in this report are state-of-provider estimates which reflect spending for services delivered in each state to residents and nonresidents. These estimates are useful in measuring the role of health spending in a state's economy.

⁴ Health care spending data produced by the National Health Expenditure Accounts (NHEA) of the Department of Health and Human Services Center for Medicare and Medicaid Services are larger than those produced by Bureau of Labor Statistics Consumer Expenditure Survey (CE); however, both are valid and widely utilized estimates of health care expenditures. Differences in definitions, sources, and methods are responsible for differences in the estimates. See http://www.bls.gov/cex/nhe_compare_200710.pdf for more a more detailed explanation.

Figure 4 shows the composition of total health care expenditures by service category in Wisconsin. The economic activity of each service category is either directly or indirectly generated by health care professionals credentialed by DSPS. Appendix C details the service categories and DSPS involvement in each category.

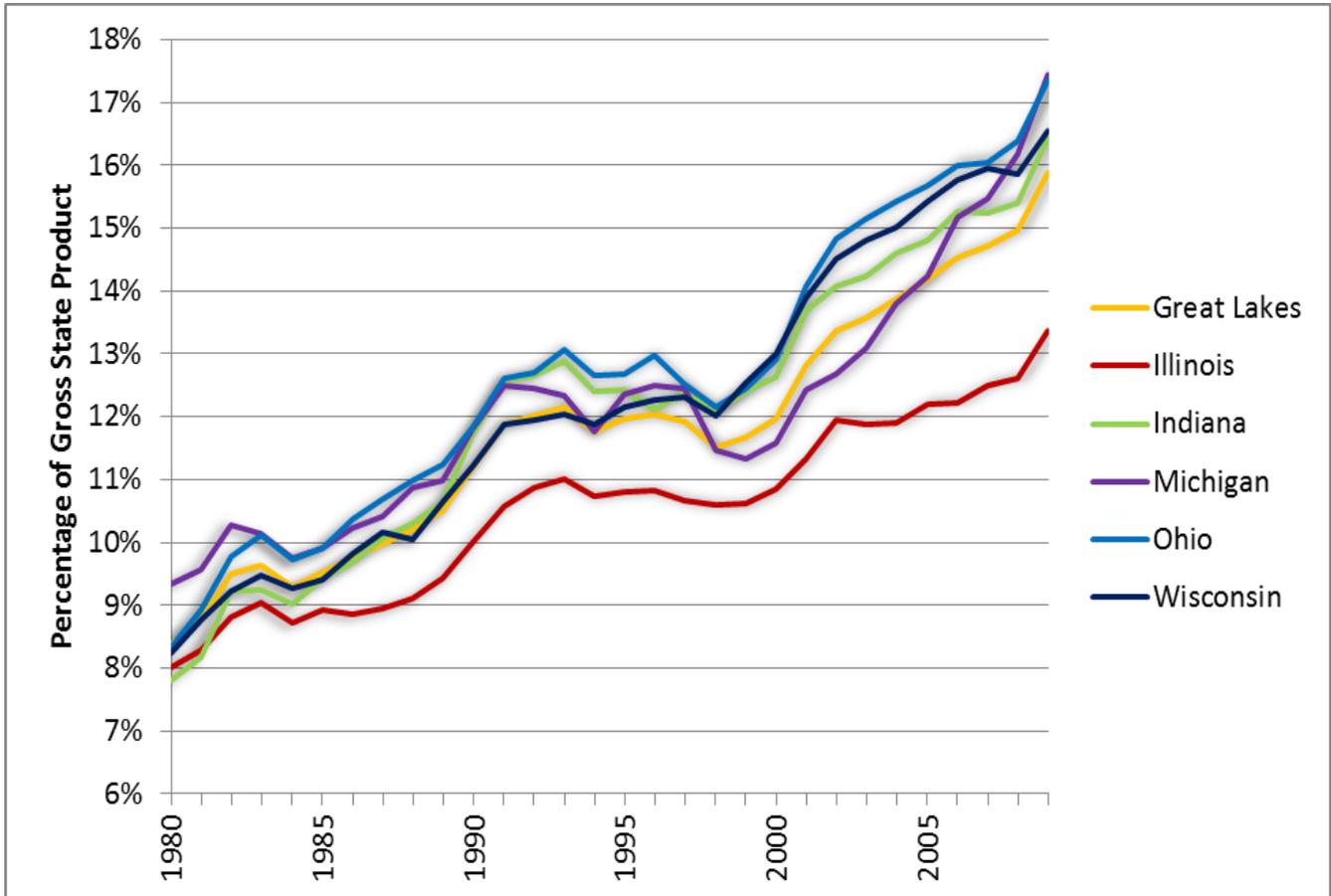
Figure 4: Health Care Spending in Wisconsin by Service (in millions), 1980-2009



Source: Centers for Medicare & Medicaid Services (2011), National Health Expenditure Accounts

Over the past 30 years, the health care industry has comprised a growing share of the state's gross domestic product (GDP). As shown in Figure 5, between 1980 and 1991, expenditures generated by health care professionals grew from 8.2% to 12.1% of the GDP and remained at this level for roughly eight years. Health care expenditures in Wisconsin grew from 12.1% of state GDP in 1999 to 17% in 2009.

Figure 5: Health Care Expenditures as a Percentage of State Gross Domestic Product in Great Lakes States, 1980-2009



Source: Centers for Medicare & Medicaid Services (2011), National Health Expenditure Accounts

Also shown in Figure 5, Wisconsin's neighboring states have experienced similar growth in health care industry expenditures (Centers for Medicare and Medicaid Services 2011). *If these trends continue, DSPS will play an even more vital role in the state's economy as these health care professionals continue generating increased economic activity.*

CONSTRUCTION SECTOR

Between July 2013 and June of 2015, the Department processed approximately 12,000 initial credentials and over 45,000 renewals for construction sector professionals. As of June 2015, there were *over 69,000 active DSPS credential holders in construction sector professions*. In the past biennium, Bureau of Technical Services staff completed *over 40,000 plan reviews and 140,000 inspections*. With DSPS

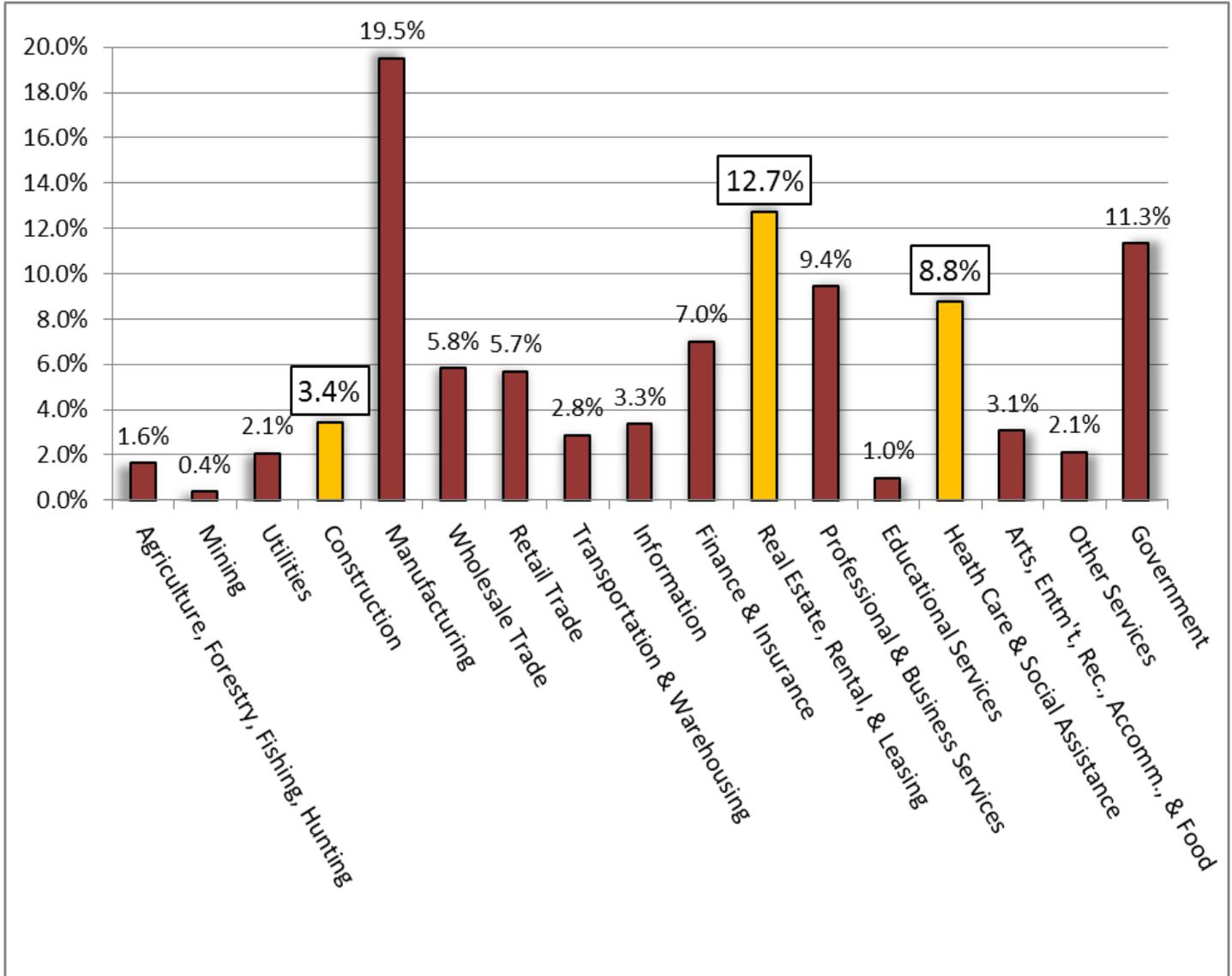
regulatory oversight, the construction sector safely and competently contributed approximately \$9 billion to Wisconsin real GDP in 2013 (U.S. Bureau of Economic Analysis 2014a).

With DSPS regulatory oversight, the construction sector safely and competently contributed approximately \$9 billion to Wisconsin gross state product in 2013.

A handful of mid-sized industrial sectors, including construction, comprise the core of the Wisconsin economy. This is demonstrated using conventional measures of economic activity including output (gross domestic product) and employment. The U.S. Bureau of Economic Analysis (BEA) publishes annual estimates of Real Gross Domestic Product (RGDP) by state and provides estimates of shares of Wisconsin RGDP produced by each major industrial sector.

As shown in Figure 6, compared to the other major industrial sectors, construction is a moderate contributor to Wisconsin GDP. In 2013, the construction sector directly produced approximately \$9 billion or 3.4% of Wisconsin RGDP (U.S. Bureau of Economic Analysis 2014a).

Figure 6: Sectoral Shares of 2013 Wisconsin Real GDP⁵



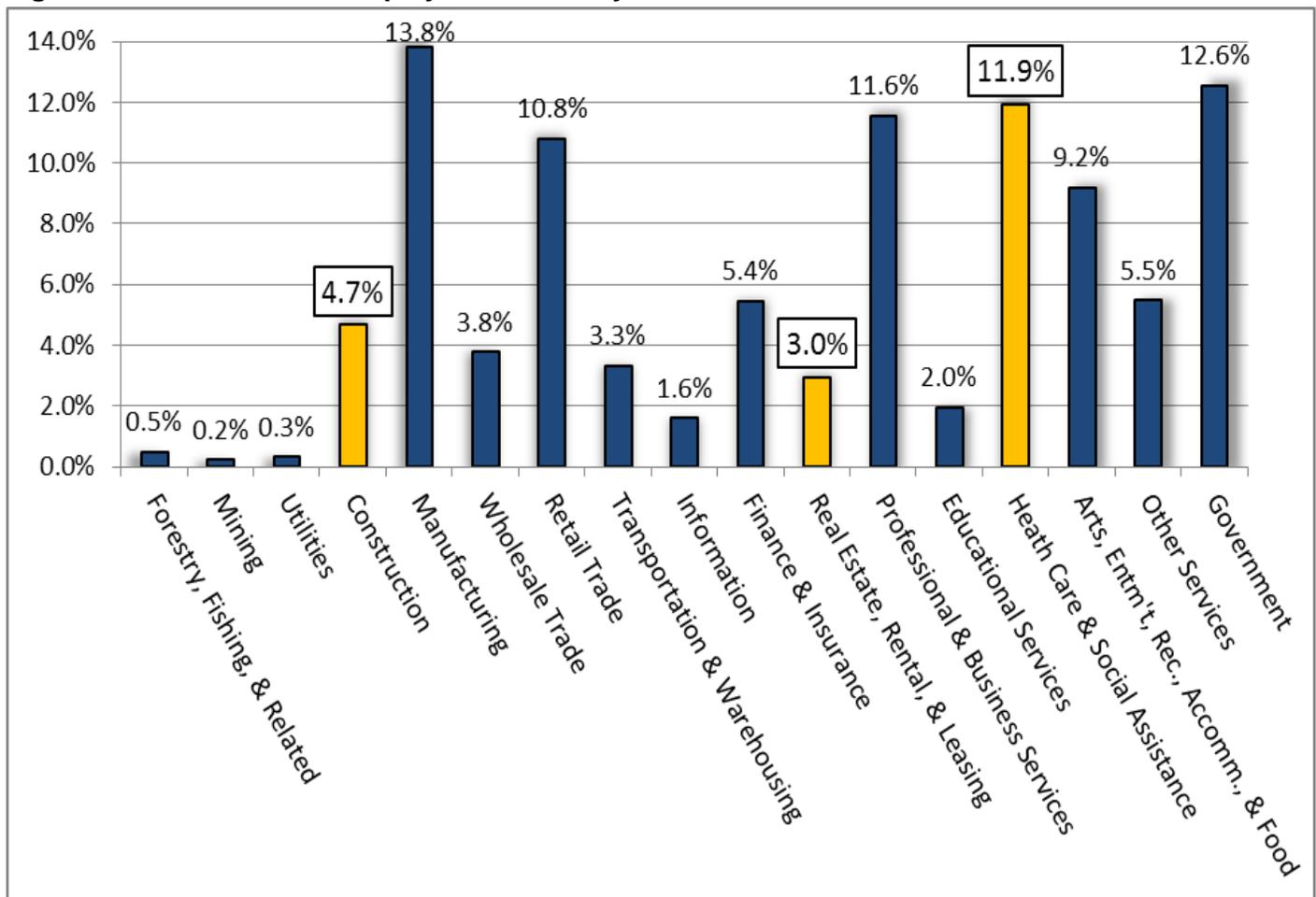
Source: U.S. Bureau of Economic Analysis (2013a)

⁵ Health care spending data produced by the National Health Expenditure Accounts (NHEA) of the Department of Health and Human Services Center for Medicare and Medicaid Services (used in the previous section) are larger than those produced by Bureau of Labor Statistics Consumer Expenditure Survey (CE); however, both are valid and widely utilized estimates of health care expenditures. Differences in definitions, sources, and methods are responsible for differences in the estimates. See http://www.bls.gov/cex/nhe_compare_200710.pdf for more a more detailed explanation.

With DSPS regulatory oversight, the construction sector provided over 160,000 well-paying jobs to Wisconsin workers in 2013.

Construction is a mid-sized component of the overall Wisconsin labor market. The sector contained over 160,000 jobs in 2013 and accounted for 4.7% of the overall 2013 state employment⁶ as shown in Figure 7.

Figure 7: Wisconsin 2013 Employment Share by Sector

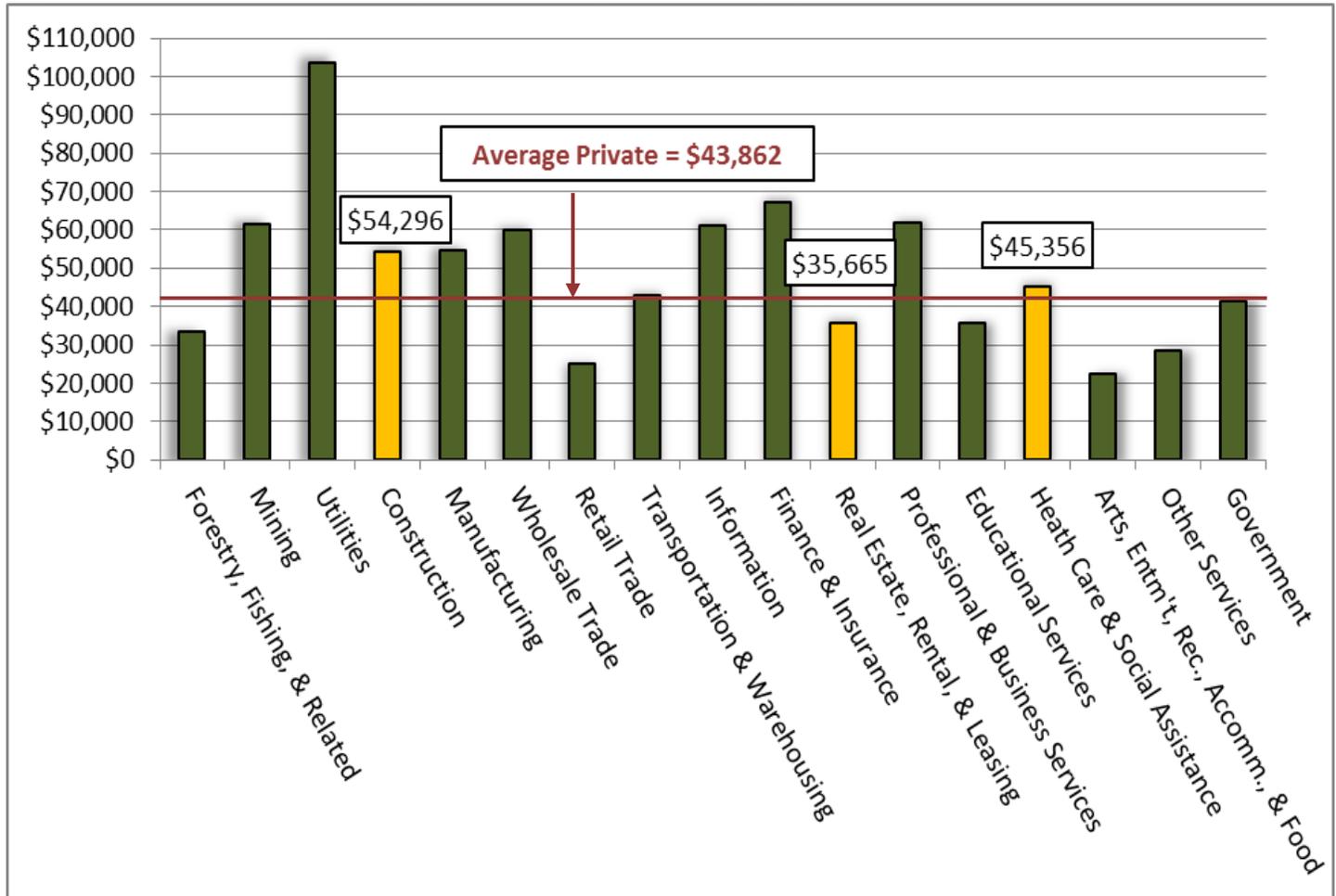


Source: U.S. Bureau of Economic Analysis (2014b)

⁶ Non-farm employment.

Construction jobs tend to be relatively high skilled and high paying. Figure 8 provides the wage profile showing the average wage and salary income in Wisconsin for the year 2013 by major NAICS sector.⁷ The construction sector had an annual average wage greater than 9 of the major NAICS sectors of roughly \$54,000, over \$10,000 above the average.

Figure 8: 2013 Wisconsin Average Annual Wage and Salary by Industry



Source: U.S. Bureau of Economic Analysis (2014c)

In addition to being an important component of the Wisconsin economy, the construction sector plays a vital role in stimulating economic growth. Construction projects generate output, income, and employment within the construction sector and create “ripple effects” in a wide range of other sectors of the economy.

⁷ The annual wage and salary income is calculated by dividing the Bureau of Economic Analysis total for wage and salary disbursements (Table SA07N) by wage and salary employment (Table SA27N). Wage and salary employment measures the average annual number of full-time and part-time jobs in each area by place-of-work. All jobs for which wages and salaries are paid are counted. Full-time and part-time jobs are counted with equal weight.

In a report prepared for the Skill Integrity Responsibility Council, Inc., researchers estimated the total economic impact of two hypothetical construction projects: (1) A \$10 million new building project, and (2) A \$1 million remodeling project (Clark and Crane 2011).⁸ Table 1 summarizes their findings.

Table 1: Total Economic Impact of Hypothetical Construction Projects

Industry	Case Study 1:			Case Study 2:		
	\$10 Million New Building Project			\$1 Million Remodeling Project		
	Total Economic Impact	Total Job Increase	Total Tax Revenue Generated	Total Economic Impact	Total Job Increase	Total Tax Revenue Generated
Construction Sector	\$10.1 million	91	x	\$1 million	10	x
All Other Sectors	\$9.1 million	79	x	\$0.92 million	8	x
Total	\$19.2 million	170	\$853 thousand	\$1.92 million	18	\$91 thousand

Source: Clark and Crane (2011)

As shown in Table 1, a \$10 million new building project translates into \$19.2 million in economic impact, 170 jobs (91 jobs in the construction sector and 79 jobs elsewhere in the economy), and \$853 thousand in tax revenue. The total value added (after inputs are subtracted) from a \$10 million new building project is *\$10.3 million, with 75% of that coming from labor income*. Also shown in Table 1, a \$1 million remodeling project for a nonresidential building translates into *\$1.92 million in total economic impact, 18 jobs* (10 jobs in construction and 8 jobs elsewhere), and *\$91 thousand in state and local tax revenues*. The total value added (after inputs are subtracted) from a \$1 million dollar remodeling project is \$1.1 million, with 73% of that coming from labor income (Clark and Crane 2011).⁹ The findings of this report show that construction projects regulated by DSPS can be effective as short run economic stimuli. Furthermore, the resulting infrastructure leads to improved economic productivity in the long run.

Construction projects regulated by DSPS can be effective economic stimuli that create jobs and increase spending in a wide range of other sectors of the economy.

⁸ Crane and Clark used the IMPLAN Input-Output or I-O modeling developed by the U.S. Department of Agriculture to measure the “ripple effects” that cause construction projects to have a greater impact on the state economy. This model has been widely tested and used for state and sub-state regional impact analysis.

⁹ The model used to estimate these impacts assumes that no capacity constraints will prevent the economy from expanding to the full impact. In reality, very large construction projects can cause bottlenecks that may prevent the full scalable impact from being realized.

REAL ESTATE INDUSTRY

As of June 2015, over 23,000 real estate industry professionals credentialed by DSPS contributed to the Wisconsin economy. The Real Estate Examining Board and Real Estate Appraisers Board attached to DSPS regulate real estate brokers, real estate salespersons, timeshare salespersons, real estate business entities, licensed appraisers, certified residential appraisers, and certified general appraisers in Wisconsin. According to the United States Bureau of Economic Analysis estimates, the real estate industry accounted for *\$33.5 billion or 12.7% of Wisconsin GDP in 2013* (as shown above in Figure 6). In 2013, the real estate industry comprised roughly 3% of overall 2013 state employment (as shown above in Figure 7).¹⁰

When a real estate professional credentialed by DSPS sells a home in Wisconsin, it generates over \$13,000 in income from real estate related industries; over \$5,000 in expenditures on consumer items; and over \$3,000 in expenditures on remodeling.

When a real estate professional credentialed by DSPS sells a home in Wisconsin, it generates over \$13,000 in income from real estate related industries; over \$5,000 in additional expenditures on consumer items such as furniture, appliances, and paint services; and over \$3,000 in expenditures on remodeling within two years of the home purchase. Aside from house-related expenditures, a new home sale results in greater spending at restaurants, sporting events, and charity events of approximately \$11,000 on average (NAR Research 2013).

Wisconsin's real estate industry has strengthened tremendously in recent years. Home sales in 2013 were 2.7 percent above 2007 levels, the year the Great Recession officially began, and 34

percent higher than sales in 2011, the year when housing sales bottomed out. 2014 housing sales through October are just 2 percent lower than 2013 levels. At \$148,000 in October of 2014, median home prices have also grown in 31 of the past 32 months (Wisconsin REALTORS® Association). These trends indicate that DSPS will continue to play an essential role in Wisconsin's economy through its regulation of the real estate industry.

¹⁰ Components of the BEA real estate industry estimates are not regulated by DSPS.

Appendix A: Health Care Professions and Boards under purview of DSPS

Health Care Professions

Acupuncturist
Advanced Practice Nurse Prescriber
Anesthesiologist Assistant
Art Therapist
Athletic Trainer
Audiologist
Behavior Analyst
Chiropractic Radiological Technician
Chiropractic Technician
Chiropractor
Clinical Substance Abuse Counselor
Clinical Supervisor In Training
Controlled Substances Special Use
Authorization
Dance Therapist
Dental Hygienist
Dentist
Dietitian
Drug or Device Manufacturer
Hearing Instrument Specialist
Home Medical Oxygen Provider
Independent Clinical Supervisor
Intermediate Clinical Supervisor
Licensed Midwife
Licensed Practical Nurse
Licensed Radiographer
Limited X-Ray Machine Operator Permit
Marriage and Family Therapist
Massage Therapist or Bodywork Therapist
Music Therapist
Nurse-Midwife
Occupational Therapist

Occupational Therapy Assistant
Optometrist
Perfusionist
Pharmacist
Pharmacy (In State)
Pharmacy (Out of State)
Physical Therapist
Physical Therapist Assistant
Physician
Physician Assistant
Podiatrist
Prevention Specialist
Prevention Specialist in Training
Private Practice School Psychologist
Professional Counselor
Psychologist
Registered Nurse
Registered Sanitarian
Respiratory Care Practitioner
Sign Language Interpreter
Sign Language Interpreter (Restricted)
Social Worker
Social Worker- Advanced Practice
Social Worker- Independent
Social Worker- Licensed Clinical
Social Worker- Training Certificate
Speech-Language Pathologist
Substance Abuse Counselor
Substance Abuse Counselor in Training
Veterinarian*
Veterinary Technician*
Wholesale Distributor of Prescription Drugs

Health Care Boards

Examining Boards

Chiropractic Examining Board
Dentistry Examining Board
Hearing and Speech Examining Board
Marriage and Family Therapy, Professional Counseling and Social Work Examining Board

Medical Examining Board
Board of Nursing
Nursing Home Administrator Examining Board
Optometry Examining Board
Pharmacy Examining Board
Physical Therapy Examining Board
Psychology Examining Board
Radiography Examining Board
Veterinary Examining Board*

Boards

Controlled Substances Board

Credentialing Boards Attached to the Medical Examining Board

Athletic Trainers Affiliated Credentialing Board
Dietitians Affiliated Credentialing Board
Massage Therapy and Bodywork Therapy Affiliated Credentialing Board
Occupational Therapists Affiliated Credentialing Board
Podiatry Affiliated Credentialing Board

Councils

Council on Anesthesiologist Assistants
Examining Council on Registered Nurses
Examining Council on Licensed Practical Nurses
Perfusionist Examining Council
Pharmacist Advisory Council
Council on Physician Assistants
Respiratory Care Practitioners Examining Council
Sign Language Interpreter Council

* The most recent state budget transferred the Veterinary Examining Board and its related credentialing duties to the Department of Agriculture, Trade and Consumer Protection.

Appendix B: All Boards and Councils under purview of DSPS

Examining Boards

Accounting Examining Board
Examining Board of Architects, Landscape Architects, Professional Engineers, Designers, and Land Surveyors
Chiropractic Examining Board
Cosmetology Examining Board
Dentistry Examining Board
Funeral Directors Examining Board
Examining Board of Professional Geologists, Hydrologists, and Soil Scientists
Hearing and Speech Examining Board
Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board
Medical Examining Board
Board of Nursing
Nursing Home Administrator Examining Board
Optometry Examining Board
Pharmacy Examining Board
Physical Therapy Examining Board
Psychology Examining Board
Radiography Examining Board
Real Estate Examining Board
Veterinary Examining Board

Boards

Auctioneer Board
Building Inspector Review Board
Cemetery Board
Controlled Substances Board
Real Estate Appraisers Board

Affiliated Credentialing Boards

Athletic Trainers Affiliated Credentialing Board
Dietitians Affiliated Credentialing Board
Massage Therapy and Bodywork Therapy

Affiliated Credentialing Board
Occupational Therapists Affiliated Credentialing Board
Podiatry Affiliated Credentialing Board

Councils

Council on Anesthesiologist Assistants
Crematory Authority Council
Automatic Fire Sprinkler System Contractors and Journeymen Council
Contractor Certification Council
Conveyance Safety Code Council
Dwelling Code Council
Manufactured Housing Code Council
Multifamily Dwelling Code Council
Examining Council on Registered Nurses
Examining Council on Licensed Practical Nurses
Perfusionist Examining Council
Pharmacist Advisory Council
Plumbers Council
Council on Physician Assistants
Council on Real Estate Curriculum and Examinations
Respiratory Care Practitioners Examining Council
Sign Language Interpreter Council

Advisory Committees¹¹

Alteration and Change of Occupancy Council
Amusement Ride Code Council
Boiler and Pressure Vessel Code Council
Commercial Buildings Code Council
Conveyance Safety Code Council
Electrical Code Council

¹¹ Under Wisconsin Statute 440.042, the Secretary of DSPS may convene an advisory committee to advise on any matter related to the regulation of credential holders.

Energy Conservation Council
Erosion and Stormwater Council
Fire Department Safety and Health Code
Council
Fire Prevention Code Council
Fire Protection Systems Council
Fire Safety Council
Gas Systems Code Council
General Task Group
HVAC Council
Means of Egress Council
Mechanical Refrigeration Code Council

Passenger Ropeways Code Council
Plumbing Code Council
Pool Code Council
POWTS Code Council
POWTS Technical Committee
Public Employee Safety and Health Code
Council
Rental Unit Energy Efficiency Code Council
Stormwater Workgroup
Structural Review Council
Wisconsin Fund Code Council

Appendix C: Health Care Service Categories

Health Care Service Category	Relation to DSPS
<p>Hospital Care: Covers all services provided by hospitals to patients. These include room and board, ancillary charges, services of resident physicians, inpatient pharmacy, hospital-based nursing home and home health care, and any other services billed by hospitals in the United States. The value of hospital services is measured by total net revenue, which equals gross patient revenues (charges) less contractual adjustments, bad debts, and charity care. It also includes government tax appropriations as well as non-patient and non-operating revenues.</p>	<p>These services are generated by DSPS credentialed health care professionals.</p>
<p>Physician and Clinical Services: Covers services provided in establishments operated by Doctors of Medicine (M.D.) and Doctors of Osteopathy (D.O.), outpatient care centers, plus the portion of medical laboratories services that are billed independently by the laboratories. This category also includes services rendered by a doctor of medicine (M.D.) or doctor of osteopathy (D.O.) in hospitals, if the physician bills independently for those services. Clinical services provided in freestanding outpatient clinics operated by the U.S. Department of Veterans' Affairs, the U.S. Coast Guard Academy, the U.S. Department of Defense, and the U.S. Indian Health Service are also included.</p>	<p>DSPS credentials Doctors of Medicine and Doctors of Osteopathy.</p>
<p>Other Professional Services: Covers services provided in establishments operated by health practitioners other than physicians and dentists. These professional services include those provided by private-duty nurses, chiropractors, podiatrists, optometrists, and physical, occupational and speech therapists, among others.</p>	<p>DSPS credentials nurses; chiropractors; podiatrists; optometrists; physical, occupational, and speech therapists; among other health professionals. See Appendix A for a complete list.</p>
<p>Prescription Drugs: Covers the "retail" sales of human-use dosage-form drugs, biological drugs, and diagnostic products that are available only by a prescription.</p>	<p>DSPS credentials pharmacists, pharmacies, wholesale distributors of prescription drugs, drug or device manufacturers, and professionals with the authority to prescribe.</p>
<p>Other Non-Durable Medical Products: Covers the "retail" sales of non-prescription drugs and medical sundries.</p>	<p>DSPS credentials pharmacists, drug or device manufacturers, and</p>

	the health professionals advising purchases of non-durable medical products.
Nursing Home Care: Covers nursing and rehabilitative services provided in freestanding nursing home facilities. These services are generally provided for an extended period of time by registered or licensed practical nurses and other staff. Care received in state and local government facilities and nursing facilities operated by the U.S. Department of Veterans Affairs are also included.	DSPS credentials registered nurses, licensed practical nurses, and advanced practice nurse prescribers.
Dental Services: Covers services provided in establishments operated by a Doctor of Dental Medicine (D.M.D.) or Doctor of Dental Surgery (D.D.S.) or a Doctor of Dental Science (D.D.Sc.).	DSPS credentials dentists and dental hygienists.
Home Health Care: Covers medical care provided in the home by freestanding home health agencies (HHAs). Medical equipment sales or rentals not billed through HHAs and non-medical types of home care (e.g., Meals on Wheels, chore-worker services, friendly visits, or other custodial services) are excluded.	DSPS credentials health professionals responsible for providing home health care. See Appendix A for a complete list of health professions regulated by DSPS.
Medical Durables: Covers “retail” sales of items such as contact lenses, eyeglasses and other ophthalmic products, surgical and orthopedic products, hearing aids, wheelchairs, and medical equipment rentals.	Health professionals credentialed by DSPS directly and indirectly induce the consumption of medical durables.
Other Health, Residential, and Personal Care: This category includes spending for Medicaid home and community based waivers, care provided in residential care facilities, ambulance services, school health and worksite health care. Generally these programs provide payments for services in non-traditional settings such as community centers, senior citizens centers, schools, and military field stations. The residential establishments are classified as facilities for the intellectually disabled and mental health and substance abuse facilities. The ambulance establishments are classified as Ambulance services.	DSPS credentials health professionals typically responsible for health, residential, and personal care including professional counselors, substance abuse counselors, psychiatrists, and psychologists. See Appendix A for a complete list of health professions regulated by DSPS.

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