

A man in a grey suit and blue tie is smiling and cutting a red ribbon. The ribbon is draped across the frame, creating a sense of movement and celebration. The background is a plain, light-colored wall.

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POLICY BRIEF

Backlogged: Licensing Delays Keep People from Entering the Workforce



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Problem

In recent years, the Department of Safety and Professional Services (DPS) has been hampered with delays in processing both occupational license applications and commercial plan approvals. These delays have led to many postponing their plans to enter the workforce in the field of their choice or, worse, forgo working in Wisconsin. At a time when labor shortages and demographic changes challenge Wisconsin's workforce and economic outlook, the state cannot afford to lose workers to other states. Furthermore, many of the delays are in healthcare fields that have been particularly strained in light of the pandemic.

Specifically, licensing delays in mental health fields have received extensive media coverage with NBC Newsⁱ, the Appleton Post Crescentⁱⁱ, Empower Wisconsinⁱⁱⁱ and the Badger Institute^{iv} highlighting individual cases. But the delays extend beyond these fields.

WILL surveyed a number of legislative offices for examples of constituents that have experienced delays in their licenses being approved, and what we heard was quite shocking. There were numerous examples of people waiting 6 to 9 months to have their license processed. In a few cases, individuals have waited over a year with no action on their license. Many complained of the department misplacing documents they had sent and waiting for hours to speak with a representative on the phone. In many cases, it took a legislative office intervening before licenses were fully approved.

While the full extent of the backlog is unknown, the number of anecdotal stories suggest the problem is systematic. In February 2022, DPS requested support from employees of other state agencies citing "a backlog in credential processing." The call asked for state agency employees to deploy to DPS for 3-6 months and assist with "data entry, matching documents to license applications, answering phones and taking/relaying messages and retrieving scores for applicants from existing systems."^v The first step in determining the ultimate solution to this problem is understanding the full extent of it.

Solutions

Set Processing Goals Publicly

As part of their 2021-23 Biennial Budget Request, DSPS set an agency goal of processing licenses within 7 to 10 days, and stated that their 2019 and 2020 average processing time was 8 days.^{vi} However, based on media reports and anecdotal evidence from constituents, these processing times are significantly longer, at least in certain professions.

Acknowledging that some license categories require a higher level of due diligence before issuance, the department should set a processing timeline goal for each license category and make those goals publicly accessible. This would give a benchmark for agency leadership and the legislature to uphold.

Institute a Public Facing Agency Performance Dashboard

DSPS should then create a public facing performance dashboard that outlines the average license processing time for each individual license category. The dashboard should include the department's goal for processing time, along with the average time license applications actually took to complete. Initial licenses and renewals should be differentiated, due to the varying complexity and time to process each. The dashboard should also include figures showing the existing backlog, the number of new applications filed within the last week, as well as the number of licenses approved and denied. These figures would give the public an indication whether the department is making progress on backlogs or if it's worsening.

To calculate the processing times, we suggest that the department examine the average time to process all licenses in a specific category from the previous week. Weekly snapshots should be archived in an easily accessible manner, so agency performance can be measured over time.

Below is an example of what a performance dashboard could look like. The figures listed below are theoretical examples and are not indicative of actual DSPS processing times or backlogs.

Performance Dashboard Example:

License Category	Initial License Processing Time Goal	Initial License Processing Time Actual	License Renewal Processing Time Goal	License Renewal Processing Time Actual	New Applications	Outstanding Applications	Licenses Approved	Licenses Denied
Barber	10 Days	14.2 Days	7 Days	6 Days	521	2000	551	2
Physician Assistant	14 Days	28 Days	7 Days	10 Days	14	321	10	2
Social Worker	10 Days	46 Days	7 Days	14 Days	45	576	44	2

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While a public dashboard is not a cure-all to solving the backlog of licenses, it would help set reasonable expectations for license applicants, while also providing a valuable tool for the legislature and public to hold the agency accountable. DSPS is just one example of an agency where a performance dashboard could be employed. This suggested reform could be applied across state government, especially in customer facing settings with set deliverables, such as license and permit processing.

Allow for Provisional Licenses

With application processing times in some fields taking months to complete, individuals are forced to wait on the sidelines or work in a different field. A portion of these delayed license applications cite a pending review from DSPS legal counsel or an examining board. A license application could be subject to these reviews for any number of reasons, including a background check, transcript review, or a review of an individual's qualifications, among other things. Some licensing boards don't meet for months on end, which could leave applications in limbo.

If these delays continue an alternative is needed to allow people to begin working in their chosen field. So, what can be done? The solution is to allow DSPS to issue a temporary provisional license for applicants that have completed and submitted the prerequisites for licensure. These provisional licenses would allow an otherwise qualified individual to practice in their field while their permanent credential application is pending. If the agency ultimately determines that the person is not eligible for a license, the temporary license would be revoked.

Although it ultimately did not pass, 2021 Senate Bill 232, introduced by Senator Dale Kooyenga and Representative Cody Horlacher would have allowed DSPS to institute a provisional licensure system.

Conclusion

These suggested reforms should not be seen as a panacea to correcting the backlogs at DSPS, but are reasonable steps that could be taken to ensure greater transparency, accountability and responsiveness within the agency. To create a lasting impact and to truly eliminate backlogs, the state must consider adopting reforms that can permanently reduce red-tape and unnecessary regulatory barriers without impacting public safety. In June 2021, the Wisconsin Institute for Law and Liberty and the Badger Institute introduced [Occupational Licensing in Wisconsin: A Roadmap to Reform](#), which highlighted a number of reforms that would help accomplish these goals. We revisit some of those suggested reforms below:

1. **Universal License Recognition (ULR):** Licensed professionals moving from one state to another are often burdened with barriers to licensure in their new home. In some cases, they may be forced to retake exams or complete additional education requirements, despite their level of experience. Recognizing that skills aren't lost when someone moves across state lines, universal license recognition lowers these barriers by allowing a person with a license in good standing to receive reciprocity. To date, 16 states have adopted ULR laws, from a mix of both red and blue states.^{vii}
2. **Sunrise Reviews:** Whenever a bill is introduced to license a new occupation, a sunrise review would require the Legislative Audit Bureau or other independent agency to conduct a review to determine whether a license is necessary to protect public or whether a less restrictive form of regulation is appropriate. The legislature would then ultimately act based on their recommendation. There are 14 states that currently use sunrise reviews.^{viii}
3. **Sunset Reviews:** Similar to sunrise reviews, the sunset review process looks backwards to determine if existing licenses are justified and are the best option for protecting public health and safety. A sunset review would require an independent agency to review existing licenses on a set schedule to determine whether they are effective and necessary.

4. **Right to Earn a Living:** This measure would allow the judiciary to serve as a check on policymakers and regulators who create and uphold overly burdensome regulations. If individuals believe certain restrictions are infringing on their right to earn a living, they may challenge the regulations in court.

References

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