

Testimony in Favor of Assembly Bills 200, 201, 202 & 206

Assembly Committee on Regulatory Licensing Reform

May 10, 2023

Thank you Chairman Sortwell and members of the committee for accepting my testimony in favor of Assembly Bills 200, 201, 202 and 206 today. I would also like to thank all of the members of the Legislative Council Study Committee on Occupational Licenses for their time and dedication to the study committee process that brought forward these important solutions. My name is Kyle Koenen and I am the Policy Director at the Wisconsin Institute for Law & Liberty.

In March 2022, WILL released [*Backlogged: Licensing Delays Keep People from Entering the Workforce*](#), a report that outlined some basic solutions that would bring more transparency and accountability to the well-documented license backlogs at the Department of Safety and Professional Services (DPS). Included were recommendations for the agency to set their processing goals and track them in a public facing performance dashboard. In preparing this report, WILL requested that the agency provide data showing the processing time for licenses in each licensing category. DPS responded that they were unable to provide this information because they did not track it at the time.

This was perplexing because in their 2021-23 Biennial Budget Request, DPS indicated that they were processing licenses in both 2019 and 2020 within 8 days on average, well within their goal range of 7 to 10 days. However, in their October 2022 report to the Legislative Council Study Committee on Occupational Licenses, DPS reported that the actual processing time during these two years were 74 and 86 days respectively. This discrepancy indicates that at the time, perhaps DPS did not take the role of measuring performance all that seriously.

For DPS to truly tackle the backlog issue in the long run, they must implement performance-based systems based on measurable goals and outcomes. These bills go a long way towards providing the data that will encourage a culture of performance and execution at DPS, while also removing some of the key bureaucratic hurdles that prevent people from entering the workforce in a timelier manner. They will also provide the legislature and public with the information needed to exercise their oversight role and continually hold the agency accountable.

Assembly Bill 200

Assembly Bill 200 would require DPS to include a number of important metrics in their biennial report to the Legislature. It requires the department to report the following:

- The lowest, highest and median number of days from an applicant's initial license application to the day that it is decided for each license category.

- The median number of contacts made by an applicant to the department before a credential is issued for each license category.
- The number of applications for initial, renewal, and reciprocal credentials that DSPS requests additional information.
- Finally, the number of applications for each license category which some form of legal review by the agency.

All of these metrics will help DSPS identify areas of need, so they can efficiently deploy staffing resources where deficiencies exist. This report will also give lawmakers the necessary information to pinpoint potential choke points in the process. Some of these choke points could be the result of unnecessary regulations that may play little role in protecting the public. This report could give lawmakers direction to further investigate these potential barriers, so they could take action to eliminate them.

Assembly Bill 201

Much like the previous bill, Assembly Bill 201 would provide the DSPS leadership team, the public and the legislature with timely information regarding license processing times. By requiring the agency to report both the incoming applications and final determinations, interested parties would have up-to-date information on whether the agency is making progress eliminating backlogs or whether the backlog is worsening. It will also give real-time information that will allow the agency to direct resources and staff to credential areas that have amassed a backlog of applications.

Assembly Bill 202

Assembly Bill 202 makes reasonable changes to DSPS's process for handling applications for individuals that have minor offenses on their record such as an underage drinking or a first-offense OWI that is more than 5 years old. These types of cases bog down the legal review process at DSPS, contributing to backlogs and preventing otherwise qualified people from entering the workforce in a timely manner. It is also my understanding that these offenses rarely result in a license denial, so this bill will allow the department to work more efficiently and focus on applications with more serious offenses.

The bill also allows employers to attest that their employee does not have a conviction record that would preclude them from receiving a license. Employers already conduct background checks on prospective employees, so this process would reduce duplication in the employment process.

We would like to flag one provision for the committee's consideration. Subsection 440.03(13)(bx) requires the department to promulgate rules to implement the bill. As written, the bill outlines the duties and powers of DSPS in a clear-cut manner, putting into question the necessity of this provision. We'd encourage the committee to consider removing this provision. The power to write laws is an incredible power that the people of Wisconsin elected the

legislature to engage in. If you are going to give that power away to unelected bureaucrats, you should do so in the most limited and specific means possible.

Assembly Bill 206

With stagnant population growth and low in-migration, Wisconsin is facing growing demographic challenges that will threaten our state's ability to thrive in the long run. Unfortunately, licensing requirements can vary from state to state. This forces otherwise qualified individuals to retake tests or in some cases return to school to meet their new state's requirements. To be competitive with other states, we must do everything we can to remove barriers to attracting additional talent and workforce to the state. Assembly Bill 206 takes a reasonable step towards accomplishing this goal by requiring DSPS to be transparent about whether another state's licensing requirements are "substantially equivalent" to Wisconsin's. If they are not, then DSPS must be forthcoming about what an applicant would need to do to become licensed.

This is an important step to give an applicant greater certainty but doesn't go far enough. First, we'd recommend that the bill be amended to extend this analysis beyond health care professions. Many other professions are also experiencing shortfalls and would benefit from this legislation. Second, it doesn't address the underlying problem of requiring experienced licensed professionals from other states to jump through hoops to become licensed in Wisconsin. We hope the committee will consider a universal license recognition law in the near future to address the larger issue at hand.

Thank you for your time and consideration today. I'd be happy to answer any questions.