OCCUPATIONAL LICENSING

After rejecting staffing requests, Wisconsin Republicans approve DSPS audit

*The state Department of Safety and Professional Services amassed a $47 million surplus — and agency call center service plummeted — while the Legislature rebuffed Gov. Tony Evers’ asks for more help*

**By Matthew DeFour,** *Wisconsin Watch*

Republican lawmakers have authorized an audit of the state Department of Safety and Professional Services after years of rejecting Democratic Gov. Tony Evers’ requests to add staff — a standoff that has led to long waits for licenses, a huge surplus of agency funds and frustrated applicants flooding legislative offices with pleas for help.

Sara Wuorinen, 32, is one of those applicants. She first contacted DSPS in September 2021 to get licensed to be a substance abuse counselor and a mental health counselor in training in northern Wisconsin, which is struggling with a rise in suicides and drug overdoses.

More than 16 months later, Wuorinen still doesn’t have the necessary license.

Wuorinen spent hours on hold with the department, faxed and mailed in application materials multiple times and logged conversations with 13 different department officials. She is licensed as an alcohol and drug counselor in Minnesota and has a 2020 master’s degree in rehabilitation and addiction counseling from St. Cloud State University. But Wuorinen found out months into the process she had to take additional classes at the University of Wisconsin-Superior to qualify for her state license.

She said she moved to rural Wisconsin to qualify for up to $100,000 in student loan forgiveness, but the three-year commitment doesn’t start until she gets her Wisconsin license. Wuorinen took a lower-paying job at the clinic that hired her, but went from living comfortably in Minnesota to visiting food pantries to make ends meet in Wisconsin. The experience has taken a toll on her mental and financial well-being.

“This experience has been so negative and so discouraging, it’s really defeating,” she told Wisconsin Watch. “I don’t think they realize that these are people’s lives — people’s livelihoods.”

After Wuorinen testified in November before a special committee the Legislature created to study occupational licensing, DSPS legislative liaison Mike Tierney reviewed her case. He found several reasons for Wuorinen’s ordeal: the application was submitted under an old computer system currently being replaced and a 2017 Republican law that increased standards for licensing substance abuse counselors.

In a memo to the study committee, Tierney wrote that it comes down to better staffing at the agency. “This includes having adequate call center staff to not only answer incoming calls, but to ensure that information provided to callers is accurate,” he wrote.

**License fees pay for DSPS budget**

Pressure on DSPS has mounted as Republicans have refused to fully authorize the department’s requests for more staff over the past four years — even though the [agency’s $62.5 million budget](https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2023/0098_regulation_of_occupations_department_of_safety_and_professional_services_informational_paper_98.pdf) comes almost entirely from fees. The agency runs on revenue from construction permits and 200-plus types of professional licenses from nearly half a million license holders — not taxpayer dollars.

In fact, the department has amassed a $47 million surplus from those fees, according to the [Legislative Fiscal Bureau](https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2023/0098_regulation_of_occupations_department_of_safety_and_professional_services_informational_paper_98.pdf). The surplus was $4.4 million a decade ago. However DSPS can’t use that money to pay for more staff or technology upgrades without legislative buy-in.

The Joint Legislative Audit Committee voted Tuesday to have the nonpartisan Legislative Audit Bureau review all aspects of the department. The committee’s Republicans voted in favor and the Democrats voted against, with Sen. Tim Carpenter, D-Milwaukee, decrying the Legislature for not adequately funding the department.

“It's a shame that we needed to have this audit done,” Carpenter said. “We could have taken care of the problem ourselves.”

Marc Herstand, executive director of the Wisconsin chapter of the National Association of Social Workers, told the committee in his 30 years following licensing issues, the department has always been chronically understaffed. But frustration among his members seemed to have peaked in the past two years despite efforts by the Evers administration to improve the agency.

“(DSPS) has plenty of money to hire the staff like any other business would do in that kind of situation, but they’re not given the authority to do so,” Herstand said. “This makes no rational sense.”

Rep. Mark Born, R-Beaver Dam, a member of the audit committee and co-chair of the Legislature’s Joint Finance Committee, declined to comment on whether the Legislature would add positions in the budget.

The audit comes amid high tension between the Republican-controlled Legislature and Evers over agency administration. It also dovetails with a broader push by conservative activists and some GOP lawmakers in Wisconsin and elsewhere to get the government out of the business of [licensing and regulating some professions](https://dsps.wi.gov/Documents/DSPS%20OLS%20Report_Dec2018.pdf) such as music, art and dance therapists, cosmetology trainees and interior designers.

In August, new DSPS Secretary-designee Dan Hereth told the [Legislative Council Study Committee on Occupational Licensing](https://docs.legis.wisconsin.gov/misc/lc/study/2022/2404) the agency is processing new license applications in 45 days on average — the fastest rate in six years and down from 79 days in 2021. But committee members also heard from license applicants who spent hours on hold when they called the agency and months waiting for licenses to be processed.

“We have gotten an abundance of calls, contacts, constituent cases over the last 12 months,” said Sen. Rob Stafsholt, R-New Richmond, who led the committee. “My office just for my Senate district has handled literally dozens of cases of people who are frustrated and trying to get licenses they qualify for.”

**Call center data: Problems began before Evers**

The agency’s call center performance began to drop in 2017 under then-Gov. Scott Walker, a Republican, according to data obtained by Wisconsin Watch through a public records request. The department data show just over half of all calls were “agent answered” in 2018.

The rate improved dramatically in the second half of 2022 after Evers used federal funding to hire an outside firm in June to increase the agency’s call center staff from six to 26. The department also switched to a new phone system with a higher capacity in December 2021, so fewer people now get a busy signal, which wasn't logged as a call under the old system. A department spokesperson said that explains why the number of received calls under the new system nearly doubled to 400,000 in 2022.

The data show 36% of calls were answered in the first half of 2022, 71% of calls were answered in the second half and 98% of calls were answered in December. The new system makes it difficult to compare the 2022 data with previous years.

The funding from the American Rescue Plan Act for extra call staff runs out at the end of June.

The improvements happened as DSPS launched its new online system, LicensE, in May to begin replacing decades-old systems and paper applications. The department expects to have all professions moved to the new system by the end of this year.

The Legislature has authorized $14.4 million for the technology update, and Evers allocated another $6 million in ARPA funds this past year to replace a computer system that dates back to 1998.

“What I think we will get to when we’re fully automated is much faster turnaround times for most,” DSPS Assistant Deputy Secretary Jennifer Garrett told the committee in November. “We can move that (45-day) average down lower if we are adequately staffed and when the platform is fully implemented.”

**Starved of staff, hit by labor shortage**

Garrett also told study committee members the department has struggled to hire and retain license review and call center staff because of pay and working conditions. She said the agency had failed twice to recruit a lawyer to conduct legal reviews. But when the position was opened to remote work, DSPS hired an attorney from Green Bay, reducing the legal review time from nine weeks to six.

Hereth told the committee: “Even with new technology and continuous efforts to improve

efficiency, our volume of work routinely exceeds staff capacity and resources. The bottom line is that we need more than efficiency to deliver the kind of service our applicants want and expect.”

Evers asked for a net increase of 20 full-time positions in the 2019-21 budget and 12 positions in the 2021-23 budget, but Republicans only authorized one new net position in each budget. The department has six fewer positions than it did when it was created in 2011 under Walker.

Department officials have asked for 70 new positions across the agency in their 2023-25 budget request. Evers is set to release his proposal on Feb. 15.

The DSPS surplus is on top of the $85 million in license fees transferred from the department to the state’s general fund over the past 15 years. About $31 million of that is an automatic annual 10% transfer enshrined in statute, but the other $54 million was lapsed under Walker and his predecessor, Democratic Gov. Jim Doyle, to help balance the general fund budget. The 10% transfers remain, but the lapses ended in the 2017-19 budget.

**GOP questions management of agency**

Rep. Shae Sortwell, R-Two Rivers, chair of the Assembly Committee on Regulatory Licensing Reform, said in an interview the agency probably needs more positions. But Sortwell wants more data to support why the positions are necessary — especially in light of the new LicensE system, which should reduce the agency’s workload.

Sortwell is also skeptical about allowing DSPS employees to work from home up to three out of five days a week. And he claimed the Evers administration failed to properly manage the workload, especially during the pandemic.

[In announcing a list of nine bills the committee is recommending the Legislature to take up this session,](https://www.wispolitics.com/2022/sen-stafsholt-wraps-up-occupational-licenses-study-committee) Stafsholt accused the agency of stonewalling and sending “misleading emails” to license applicants “rather than providing us with the information we requested.”

The nine bills would, among other things, require the department to post how long it takes to process each license on its website, increase renewal periods for some licenses from two to four years, allow more professionals from other states to obtain a temporary license during a department review and have Wisconsin join an interstate compact to recognize counselor credentials from participating states.

Meanwhile, Wuorinen feels stuck trying to qualify for a job she had already done for a year in Minnesota.

“In any way you put it, this is a crisis,” she said. “When we have a workforce shortage already and we have people waiting nine to 12 months to get a license, it’s not productive.”

*The nonprofit Wisconsin Watch (*[*www.WisconsinWatch.org*](http://www.wisconsinwatch.org)*) collaborates with WPR, PBS Wisconsin, other news media and the University of Wisconsin-Madison School of Journalism and Mass Communication. All works created, published, posted or disseminated by Wisconsin Watch do not necessarily reflect the views or opinions of UW-Madison or any of its affiliates.*