



# DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

2011-2013 Biennial Report

*Regulating industries that contribute over **\$75 billion** annually  
to the Wisconsin economy*

October 2013



**STATE OF WISCONSIN**  
Department of Safety and Professional Services  
1400 E Washington Ave.  
Madison WI 53703

**Governor Scott Walker      Secretary Dave Ross**

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October 15, 2013

The Honorable Scott Walker  
Governor of Wisconsin  
State Capitol Building  
Madison, WI 53703

Mr. Jeff Renk  
Senate Chief Clerk  
B20 South East State Capitol  
Madison, WI 53703

Mr. Patrick Fuller  
Assembly Chief Clerk  
17 West Main Street, Room 401  
Madison, WI 53703

Dear Governor Walker and Members of the Legislature:

It is with great pleasure that I submit to you the 2011-2013 Biennial Report for the Department of Safety and Professional Services (DPS).

Over the past two years we have made progress ensuring the safe and competent practice of licensed professions, safety of the construction and use of public and private buildings, and compliance with professional and industry standards.

Our biennial report is a snapshot of some of the Department's recent accomplishments, as well as a preview of some of the goals and objectives we are working toward. In addition, the economic impact of three specific industries is highlighted. Thank you for the opportunity to share our progress serving the people of Wisconsin.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Ross', is written over a horizontal line.

Dave Ross  
Secretary  
Department of Safety and Professional Services

## INTRODUCTION

The regulated professions and industries within the Department of Safety and Professional Services (DSPS) have a significant impact on the economy and the health, safety, and welfare of Wisconsin's residents. This report provides a snapshot of the progress made during the 2011-2013 biennium, as well as detailed information regarding the economic impact of a few industries. In addition to this report, the DSPS website ([www.dsps.wi.gov](http://www.dsps.wi.gov)) is a great resource for the latest information and specific details for every program and profession.

Highlights from this report include:

- Since its creation, 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.
- Earning \$18 billion annually on average, health and business professionals credentialed by DSPS are a vital component to economic growth in Wisconsin.
- With DSPS regulatory oversight, the construction sector safely and competently contributed approximately \$6.9 billion to Wisconsin real gross domestic product (GDP) in 2012.
- With DSPS regulatory oversight, the construction sector provided over 152,000 well-paying jobs to Wisconsin workers in 2011.
- 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.
- With DSPS regulatory oversight, the real estate industry accounted for \$28.2 billion or 12.5% of Wisconsin GDP in 2012
- 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.

### 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 380,000 credential holders go to work in a DSPS regulated industry.<sup>1</sup>

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.

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<sup>1</sup> 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.<sup>2</sup>

*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.*

## ORGANIZATIONAL STRUCTURE

The Department is headed by a secretary who is appointed by the Governor with the advice and consent of the Senate. The Office of the Secretary provides administrative and policy guidance to Department staff, along with serving as stakeholders' primary point of contact with the Department.

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 self-regulated professions. DPD also manages the administrative rule promulgation process for professions that are directly regulated by the Department. *In 2012, DPD provided administrative services to over 40 boards and councils and facilitated approximately 180 meetings related to board activities.*

The Division of Professional Credential Processing (DPCP) processes all credential applications and oversees credential eligibility, renewal, continuing education requirements, and examination requirements for regulated professions. *Between June of 2011 and June of 2013, DPCP processed roughly 72,000 initial credentials and 212,000 renewals. As of June, 2013, there were over 388,000 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.

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<sup>2</sup> To achieve greater efficiencies, the DSPS recently recommended the transfer of responsibilities related to petroleum products and storage tank systems. The enactment of 2013 Wisconsin Act 20 transferred these responsibilities to the WI Department of Natural Resources and WI Department of Agriculture, Trade and Consumer Protection.

The Division of Industry Services (DIS) contains multiple bureaus. The Bureau of Field Services provides services related to construction and operation of buildings, along with ensuring compliance with health and safety codes. The Bureau of Technical Services (BTS) provides services such as plan review, consultation, inspections, and product evaluation. *In 2012, BTS staff completed over 14,000 plan reviews and 100,000 inspections.* The Division also administers the Wisconsin Two-Percent Fire Dues Payments Program. Funded by fire insurance premiums paid in Wisconsin, DIS distributes payments to municipalities to be used to purchase fire protection equipment, fund fire prevention inspection and public fire education, train fire fighters and fire inspectors, or fund pension or other special funds for disabled or superannuated fire fighters. *In 2013, DIS distributed approximately \$15.9 million to Wisconsin municipalities through the Two-Percent Fire Dues Payments Program.*<sup>3</sup>

The Division of Management Services provides administrative services to the Office of the Secretary and all other Divisions within the Department. These services include planning, budget, payroll, accounting, and information technology. In addition, the Division also serves the Department's 306 employees through Human Resources. One option the Department is pleased to provide for employees is a flexible work schedule, which is approved by the appropriate supervisor. Flexible work schedules offer greater flexibility for employees while ensuring the standards of service delivery, including phone coverage and job performance are maintained.

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<sup>3</sup> The Department also contains a Division of Management Services. 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, accounting, and information technology.



## RECENT ACCOMPLISHMENTS

Since its creation, 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

DPD recently implemented the Wisconsin Prescription Drug Monitoring Program (PDMP). As a HIPAA<sup>4</sup>-

*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.*

*compliant database, the Wisconsin PDMP stores data about controlled substances and other highly abused substances prescribed to individuals in Wisconsin and lawfully discloses the data to authorized individuals.*

Pharmacies and other dispensers of prescription drugs collect and submit data to the PDMP database including information about the prescriber, the dispenser, the drug, and the patient for each prescription. Authorized users may obtain data stored in the PDMP database to verify prescription information. 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 the prescription medications are not adversely affected.

Effective June 1, 2010, 2009 Wisconsin Act 362 directed DSPS to manage the operations of PDMP in accordance with the rules and policies developed by the Pharmacy Examining Board. In September of 2011,

DSPS received grant funding to manage PDMP. The Pharmacy Examining Board began the administrative rule-writing process on October 1, 2011 and the rules, ch. Phar 18, became effective on January 1, 2013. Since this date, DSPS staff members have travelled the state educating the public through outreach and training events.

The Wisconsin PDMP became fully operational on June 1, 2013. DSPS staff seek to further enhance the PDMP database by working to improve processes to allow access to data and exchange data with neighboring states. In addition, the Department established memoranda of understanding (MOUs) with sovereign tribes and the Indian Health Services (HIS) to participate in PDMP and participated in several Alcohol and Other Drug Abuse prevention events. PDMP staff continues to strengthen state tribal

<sup>4</sup> Health Insurance Portability and Accountability Act is a Federal legislation designed to improve the portability and continuity of health insurance. Another important objective is to reduce administrative costs for providers and payers while protecting the privacy of health information.



collaboration through outreach to the Great Lakes Inter-Tribal Council, Inc., tribal leaders, tribal health directors, and tribal law enforcement. *Currently the PDMP database stores approximately 6 million prescription records, 1,800 dispensers submit data, and 3,200 users have query accounts.*

### **Issuing Licenses More Quickly**

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

OLAS for nursing licenses piloted in spring of 2013 to reduce the processing time of nursing applications and provide schools with an efficient paperless process to approve and submit graduation information to DSPS. OLAS officially launched for all 44 Wisconsin Nursing Board approved colleges in October. A sample of 10 percent 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. This processing time is a significant improvement over applications sent by postal mail. 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. DPCP is working to expand OLAS to several other professions.

*The Prescription Drug Monitoring Program will reduce the abuse and diversion of prescription drugs in Wisconsin.*

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

DPCP has similarly encouraged applicants to renew their credentials online via the website. *As a result, the percent of online renewals increased from 84% in 2011 to 95% in 2012.* 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.

### **Creating Efficiencies**

In June of 2012, DSPS commenced a paperless office initiative to promote operational effectiveness, a more productive use of space, and simplified processes. DPD began providing electronic board agendas and laptops to board members in place of paper agendas for an *estimated annual savings of \$21,000*. Further, this initiative also allowed



for the elimination of 214 file cabinets, 18 bookcases, and 144 feet of open shelving giving the Department the ability to add workstations to its flagship location at 1400 East Washington Avenue. Efforts like this allowed for the Madison-based staff of the Division of Industry Services (DIS) to completely vacate its space at the former Department of Commerce building and move to the East Washington location, *saving the Department roughly \$65,000 each month.*

Industry Services implemented several additional initiatives to increase staff productivity and improve customer satisfaction. First, in the interest of delivering consistent performance and code enforcement, DIS has made great strides at standardizing the inspection process and report format across all division programs. Process improvements include using technology tools to assist field team members in report preparation and submission.

DIS recently implemented electronic plan review saving the Department and its customers valuable time and money. Historically, individuals have submitted paper plans to various locations in the state. Occasionally, specific locations would experience a high volume of plan submittals resulting in increased turnaround time. *Electronic plan review provides for greater organizational flexibility by allowing reviewers all over Wisconsin to share the workload which expedites the plan review process.*

In order to further expedite processes for customers, DIS staff are developing electronic forms for all applications, registrations, and permits that will allow customers to complete the paperwork online. The Division is similarly developing the database management required to electronically process these applications.

### **Clearing the Red Tape**

In compliance with 2012 Executive Order 61, DPD and the professional boards supported by the Division identified and changed administrative rules that hindered job creation and small business growth; such as,

- A less burdensome pathway to licensure for barbers
- A more convenient online open book exam option for funeral directors
- Deletion of a requirement that certain municipalities hire two full-time plumbing inspectors

Boards supported by the division initiated the administrative rule writing process for a number of additional changes as a result of 2012 Executive Order 61, for example:

- The Optometry Examining Board seeks to allow electronic signatures for prescription eyeglasses, which will allow thousands of optometry patients to enjoy the increased speed and accuracy of electronic prescription eyeglasses.

*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 a less burdensome path to licensure for barbers.*

- The Real Estate Examining Board plans to provide brokers the ability to retain records in electronic format and recognizing the ledger and journaling software widely utilized in the real estate industry.
- The Dentistry Examining Board seeks to reduce unnecessary regulatory burdens on dentistry professionals by eliminating nonessential paperwork associated with the training of unlicensed persons, modernizing rules to allow for electronic authorization of dental laboratory work, and developing guidelines for patient dental record retention removing significant paper storage costs.

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*. 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.

### **Saving Taxpayer Dollars**

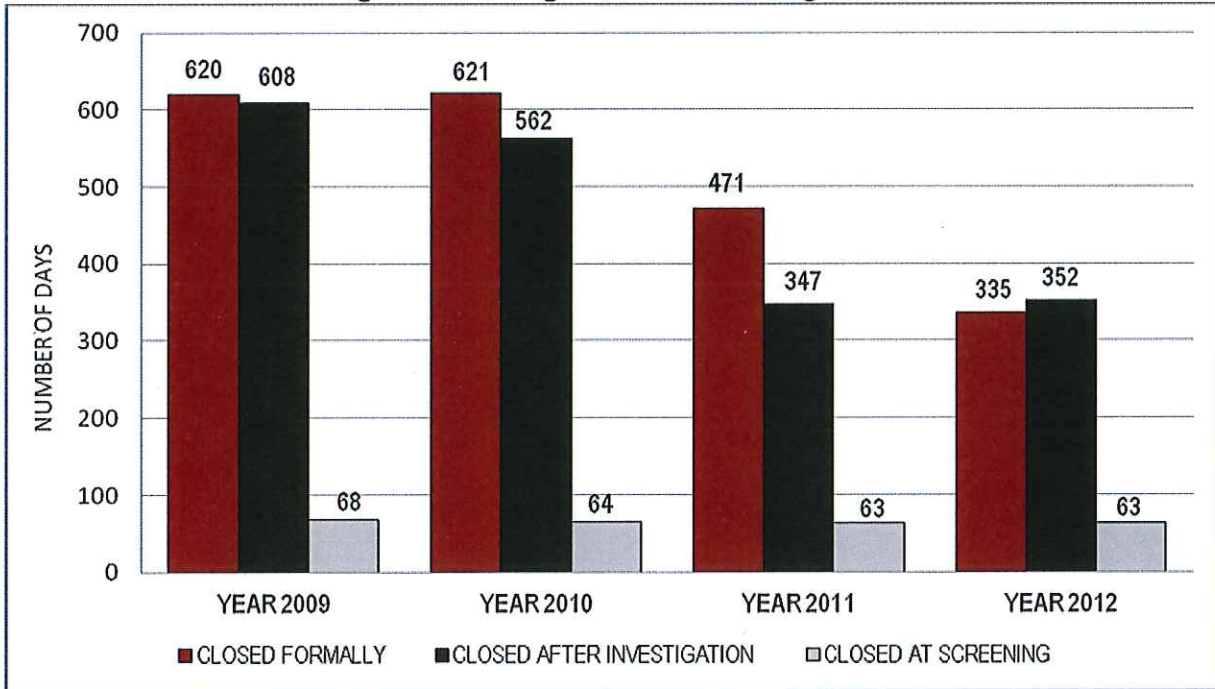
Shortly after the establishment of DSPS, Department management and staff analyzed agency expenditures and found several opportunities for cost savings. For example, it was discovered that the agency continued to pay for landlines and voicemail boxes that once belonged to former employees. *As of April 2012, the Department eliminated 152 landlines and 54 voicemail boxes for a combined annual base savings of approximately \$22,000.* Several additional disconnections have occurred since that date resulting in even greater cost savings.

### **Protecting the Public**

In 2011, under Governor Walker's administration, an increased focus was placed on timely enforcement and resolution of cases. This insured prompt protection of the public without comprising adequacy and appropriateness of enforcement actions. DLSC case processing time has improved significantly from 2009. *The average number of days to process improved as follows: closed formal from 620 days in 2009 down to 335 days in 2012; closed after investigation from 608 days down to 352 days, and closed at screening from 68 days in 2009 down to 63 days in 2012.* (See Figure 1)

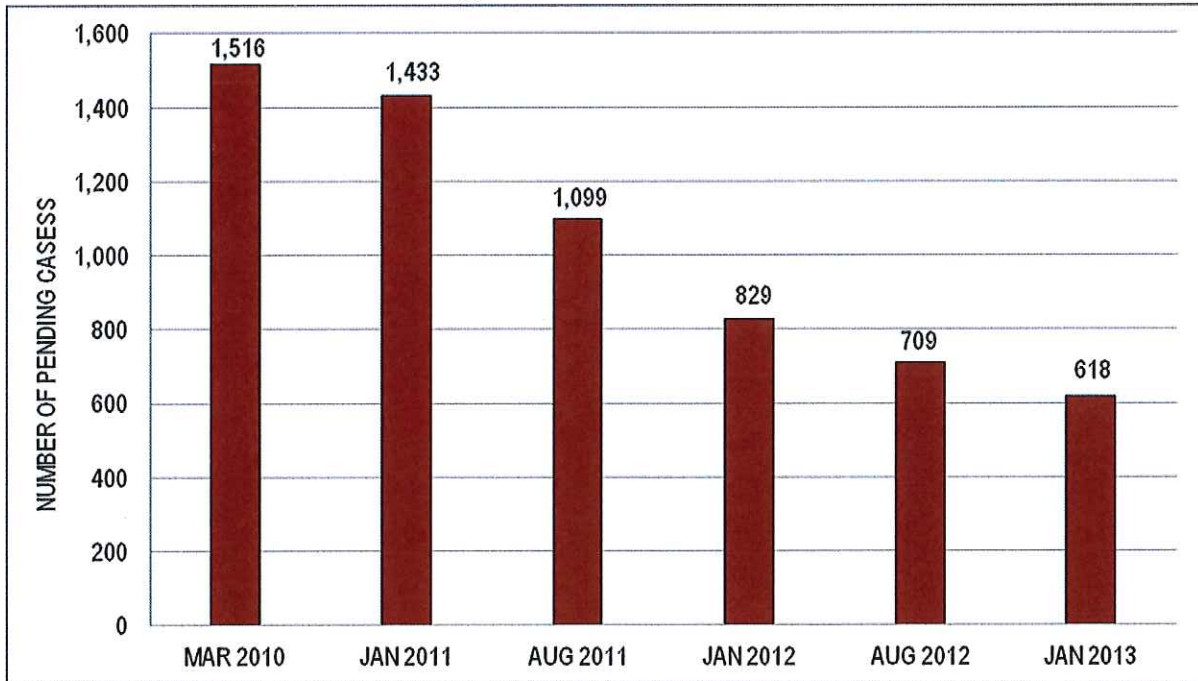


**Figure 1: Average Case Processing Time**



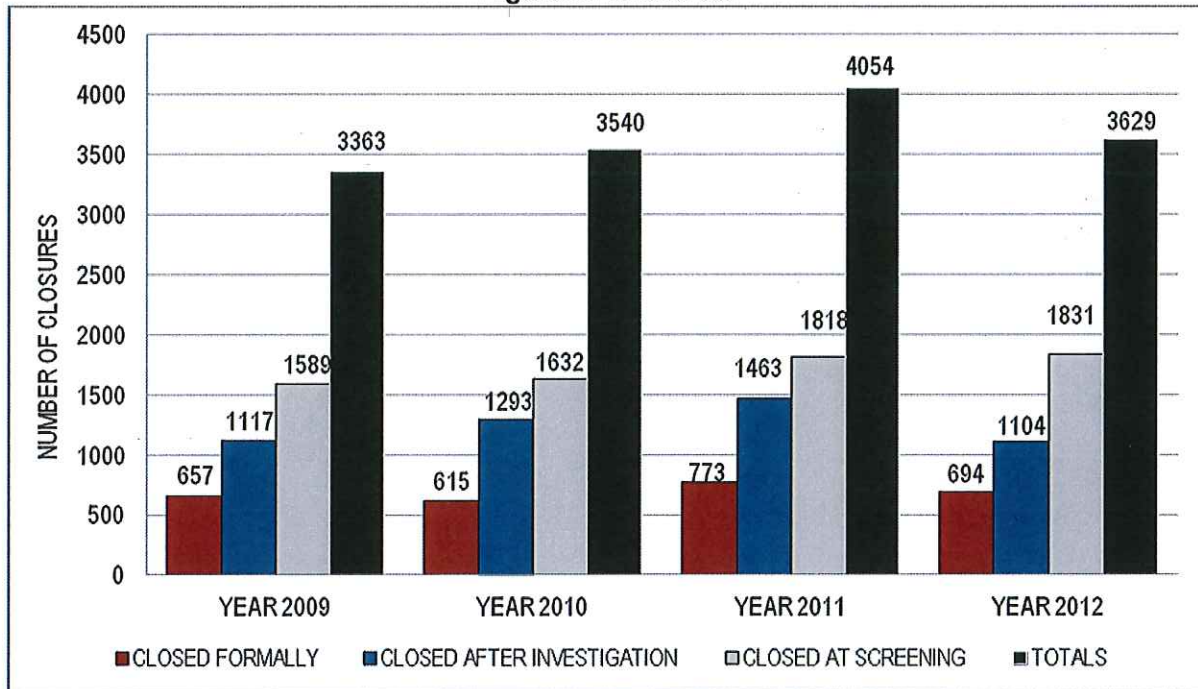
Through effective management and increased operational efficiency, DLSC has reduced its pending caseload from 1,516 to 618 cases (Figure 2).

**Figure 2: Pending Cases**



As shown in the chart below, protection of the public has been a top priority in DLSC, as the number of enforcement actions has increased in the past 2 years (Figure 3).

**Figure 3: Closures**



In addition to the case closures mentioned in the charts above, in 2012 DLSC completed 206 audits, 153 inspections, had 69 participants enrolled in a confidential assistance program for chemically impaired professionals, and monitored approximately 1,890 professional credential holders for compliance with disciplinary orders. However, numbers alone don't tell the whole story. The Division continuously looks for ways of ensuring that cases are handled in the best manner possible through precise attention to detail, intense legal scrutiny, and high quality customer service. For example, the division recently created online tutorials to explain the legal process to professional board members who serve as case advisors on disciplinary actions. These tutorials can be accessed by board members from the board room, work, or home 24 hours a day, 7 days a week on any computer. This is just one of the many ways DLSC delivers first rate service to the citizens of Wisconsin.

#### ADDITIONAL ACCOMPLISHMENTS

As part of a Lean Government initiative, DSPS completed the transfer of functions related to IT application development, infrastructure, network, and desktop support from DSPS to Department of Administration/Division of Enterprise Technology (DET). This transfer provides a more efficient and cost-effective approach to providing IT services for a medium-sized agency like DSPS. DSPS benefits by having access to DET resources and technology tools. The results of this initiative are reduced costs, more timely development of IT applications, and more efficient and consistent provisions of infrastructure, network, and desktop support services.



DSPS and DET piloted this approach starting in July 2012. After a successful pilot, the transfer was made official on July 1, 2013. DSPS Management and DET Management work closely to ensure that the services provided by DET are aligned to the goals and priorities of DSPS and its stakeholders.

With a goal to identify efficiencies to reduce printing costs, postage costs, and staff time associated with mailings of information to DSPS customers, the Division of Management Services implemented a plan that included replacing approximately 30 different printed envelopes with 4 sizes, identifying mailings that could be converted to an electronic format, and the elimination of non-value added inventory, equipment, and postal services. The estimated cost savings from these recommendations is \$46,154.

Another accomplishment was the development and implementation of a new Employee Orientation program. This program allows DSPS to better introduce new employees to our organization and acclimate them to the goals of the agency, as well as, provide them with an overview of how the agency functions. The program also allows Management Services/Human Resources staff to more effectively explain benefits, complete necessary paperwork in a more timely fashion, and acclimate new employees into the DSPS culture.

## SNAPSHOT OF CURRENT GOALS

### Professional Regulation and Administrative Services

#### Goal:

Continue to set appropriate eligibility, education, examination, and experience requirements, and make this information readily available to users of services.

#### Objectives:

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.

Promote the Department's website and electronic business services in order to focus the department's resources on priority needs and more direct consumer protection.

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

Create valid and reliable jurisprudence examinations for new professions.

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

Goal:

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.

Objectives:

Provide training to credentialing authorities relative to their role.

Ensure the regulatory information is accessible through the Department's website, press releases, and other department communications.

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

Goal:

Appropriately resolve complaints and discipline credential holders who violate professional standards.

Objectives:

Provide and manage a Professional Assessment Program (PAP).

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

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

Prepare reports showing the number and nature of disciplinary actions and make that information accessible on the Department's website.

### Regulation of Industry, Safety and Buildings

Goal:

Promote safety in constructed public and private buildings in Wisconsin.

Objective:

Develop and implement regulations, and provide service (e.g., plan review and inspections and education which promote the construction of public and private buildings according to code.

*The Department's website serves as one of the greatest resources for board members and the public to stay updated on the latest news regarding DSPS. The website is updated daily with pertinent information for everyone.  
[www.DSPS.WI.gov](http://www.DSPS.WI.gov)*



# 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 \$18 billion annually on average, health and business professionals credentialed by DSPS are a vital component to economic growth in Wisconsin.*

Subsequent legislation further consolidated occupational regulation under DRL and shifted most administrative responsibilities from the independent boards to the Department (Austin 2013):

<b>1975</b>	<ul style="list-style-type: none"> <li>• The regulation of barbering and the regulation of the funeral industry transferred to DRL from the Department of Health and Social Services</li> <li>• DRL authorized to hire staff for all the boards with a few exceptions</li> </ul>
<b>1977</b>	<ul style="list-style-type: none"> <li>• Single appropriation created for the expenditure of all license fee revenue and budgetary authority centralized under DRL</li> </ul>
<b>1979</b>	<ul style="list-style-type: none"> <li>• DRL authorized to reorganize staff along functional lines rather than by the boards they served and to eliminate the last employee positions remaining under the boards' direct authority</li> <li>• Legislation eliminated the Watchmaking Examining Board and Athletic Examining Board</li> </ul>
<b>2009</b>	<ul style="list-style-type: none"> <li>• Second appropriation created to split the budget and staffing of the professions regulated by the Medical Examining Board and affiliated credentialing boards from the remaining DRL professions</li> </ul>

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).

In June of 2013, over 300,000 health and business professionals credentialed by DSPS worked in the state of Wisconsin earning *\$18 billion dollars annually on average*.<sup>5</sup> 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.

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<sup>5</sup> Annual average earnings for professions with many subcategories such as Professional Engineering were calculated by taking an average 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 2012).



## 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 billion<sup>6</sup> were spent on health care services in Wisconsin in 2009* (Centers for Medicare and Medicaid Services 2011).<sup>7</sup>

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.*

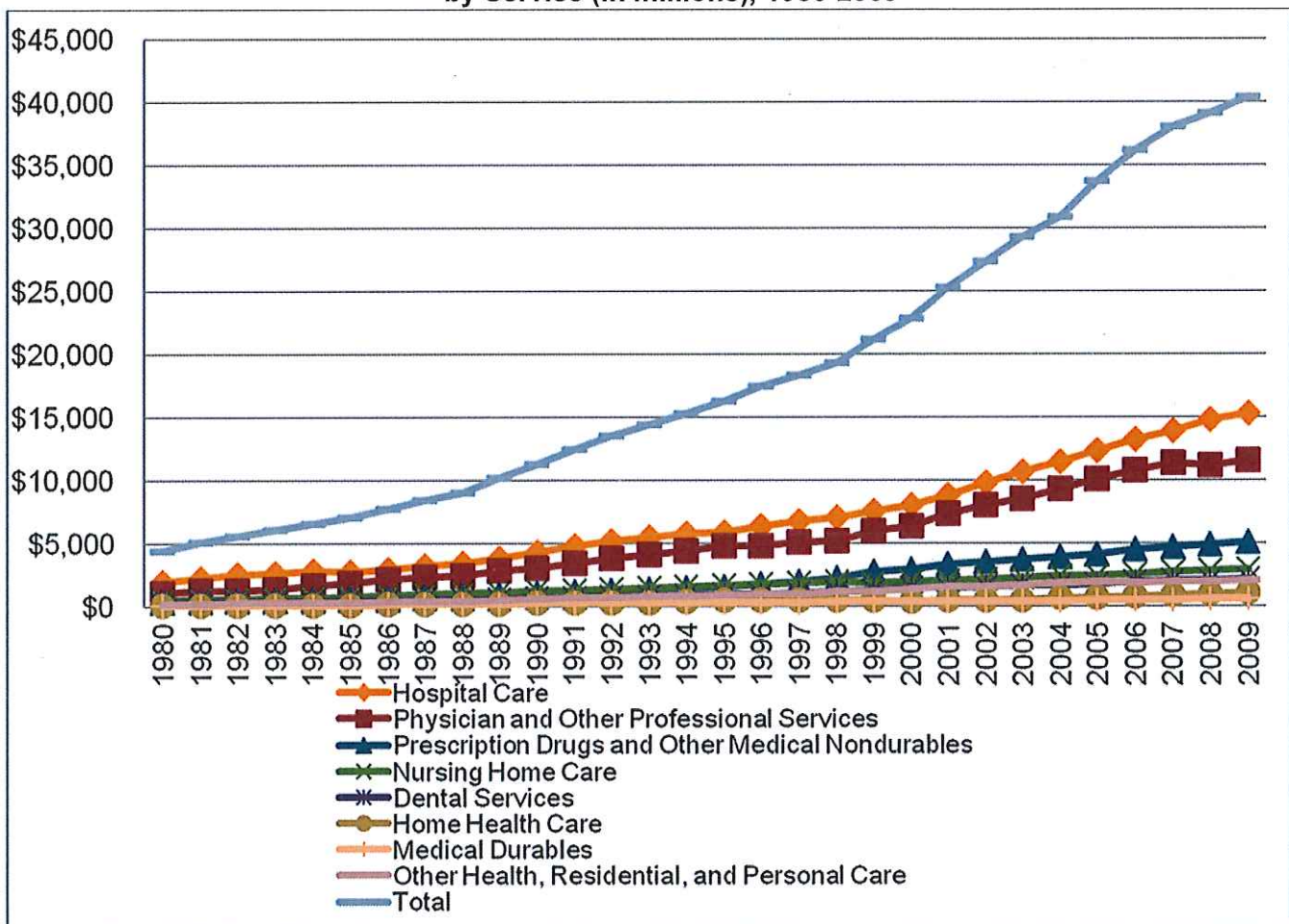
Between June of 2011 and June of 2013, the Department processed approximately 34,000 initial credentials and over 57,000 renewals for health care professionals. As of June 2013, there were over 197,000 active Wisconsin credential holders in health care professions. In 2012, DSPS provided administrative services to 27 health-related boards and councils and facilitated approximately 115 meetings for health-related board activities.

<sup>6</sup> 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.

<sup>7</sup> 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](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**

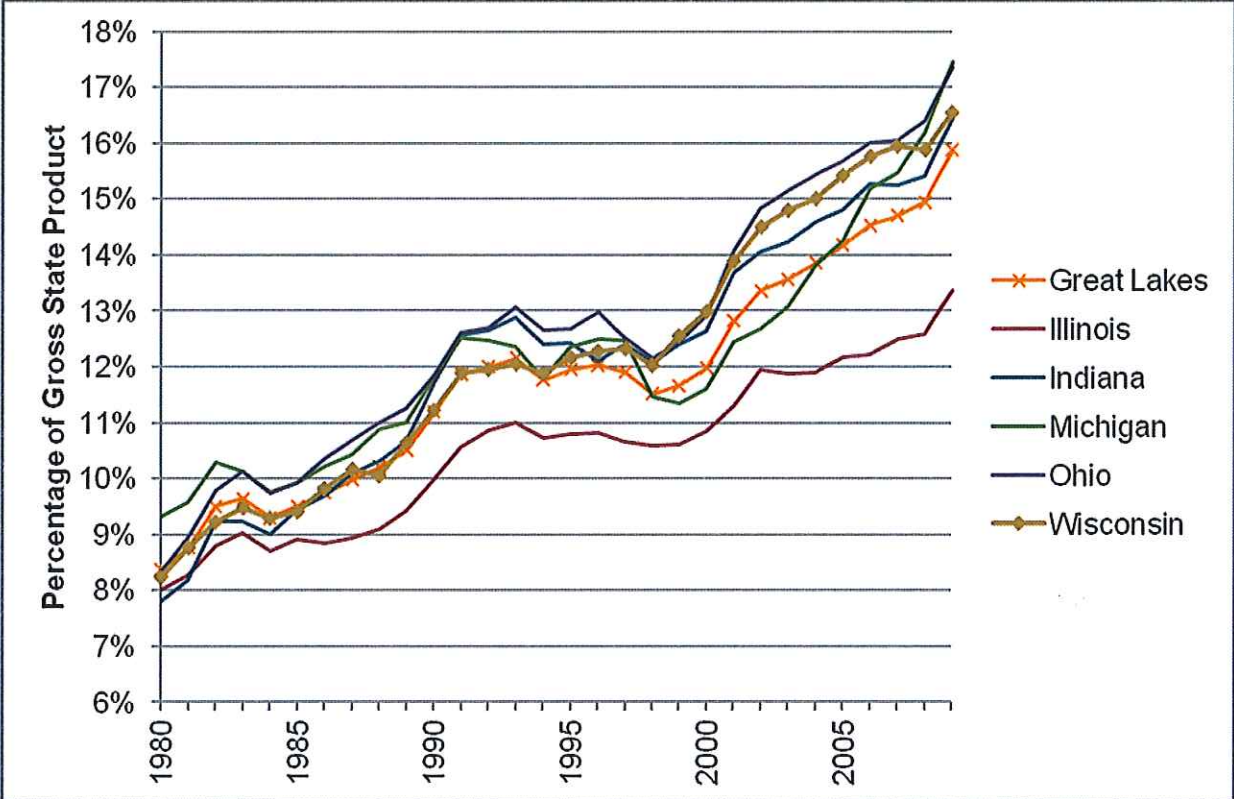


Source: Centers for Medicare & Medicaid Services (2011), National Health Expenditure Accounts



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 even more vital of a role in the state's economy as these health care professionals continue generating considerable economic activity.*

## CONSTRUCTION SECTOR

Between June of 2011 and June of 2013, the Department processed approximately 34,000 initial credentials and over 57,000 renewals for construction sector professionals. As of June 2013, there were *over 83,000 active DSPS credential holders in construction sector professions*. In 2012, Bureau of Technical Services staff completed *over 14,000 plan reviews and 100,000 inspections*. With DSPS regulatory oversight, the construction sector safely and competently contributed approximately \$6.9 billion to Wisconsin real GDP in 2012 (U.S. Bureau of Economic Analysis 2013a).



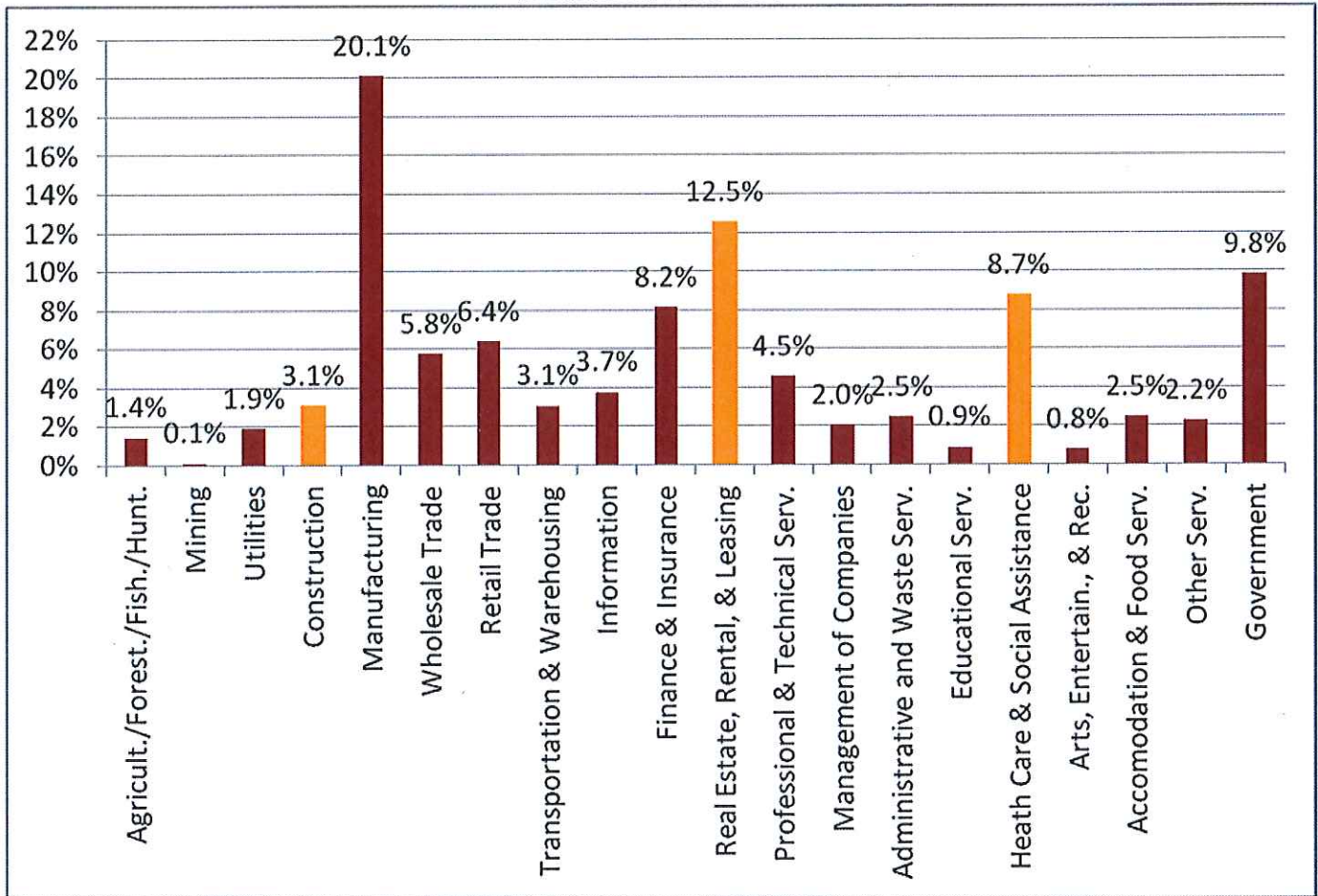
*With DSPS regulatory oversight, the construction sector safely and competently contributed approximately \$6.9 billion to Wisconsin gross state product in 2012.*

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 2012, the construction sector directly produced approximately \$6.9 billion or 3.1% of Wisconsin RGDP (U.S. Bureau of Economic Analysis 2013a).

**Figure 6: Sectoral Shares of 2012 Wisconsin Real GDP<sup>8</sup>**



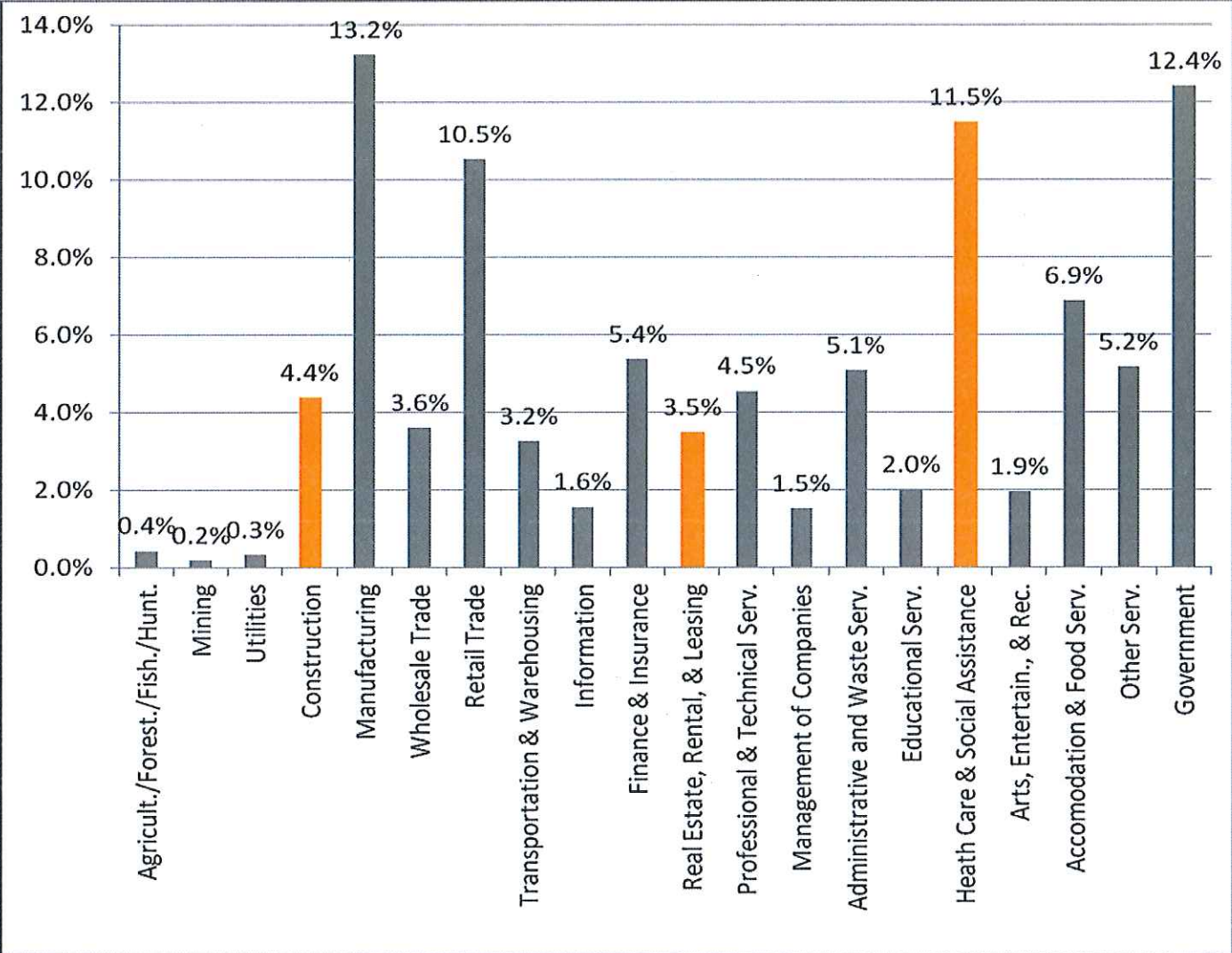
Source: U.S. Bureau of Economic Analysis (2013a)

<sup>8</sup> 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](http://www.bls.gov/cex/nhe_compare_200710.pdf) for more a more detailed explanation.

*With DSPS regulatory oversight, the construction sector provided over 152,000 well-paying jobs to Wisconsin workers in 2011.*

Construction is a mid-sized component of the overall Wisconsin labor market. The sector contained over 152,000 jobs in 2011 and accounted for 4.4% of the overall 2011 state employment as shown in Figure 7.

**Figure 7: Wisconsin 2011  
Employment Share by Sector**

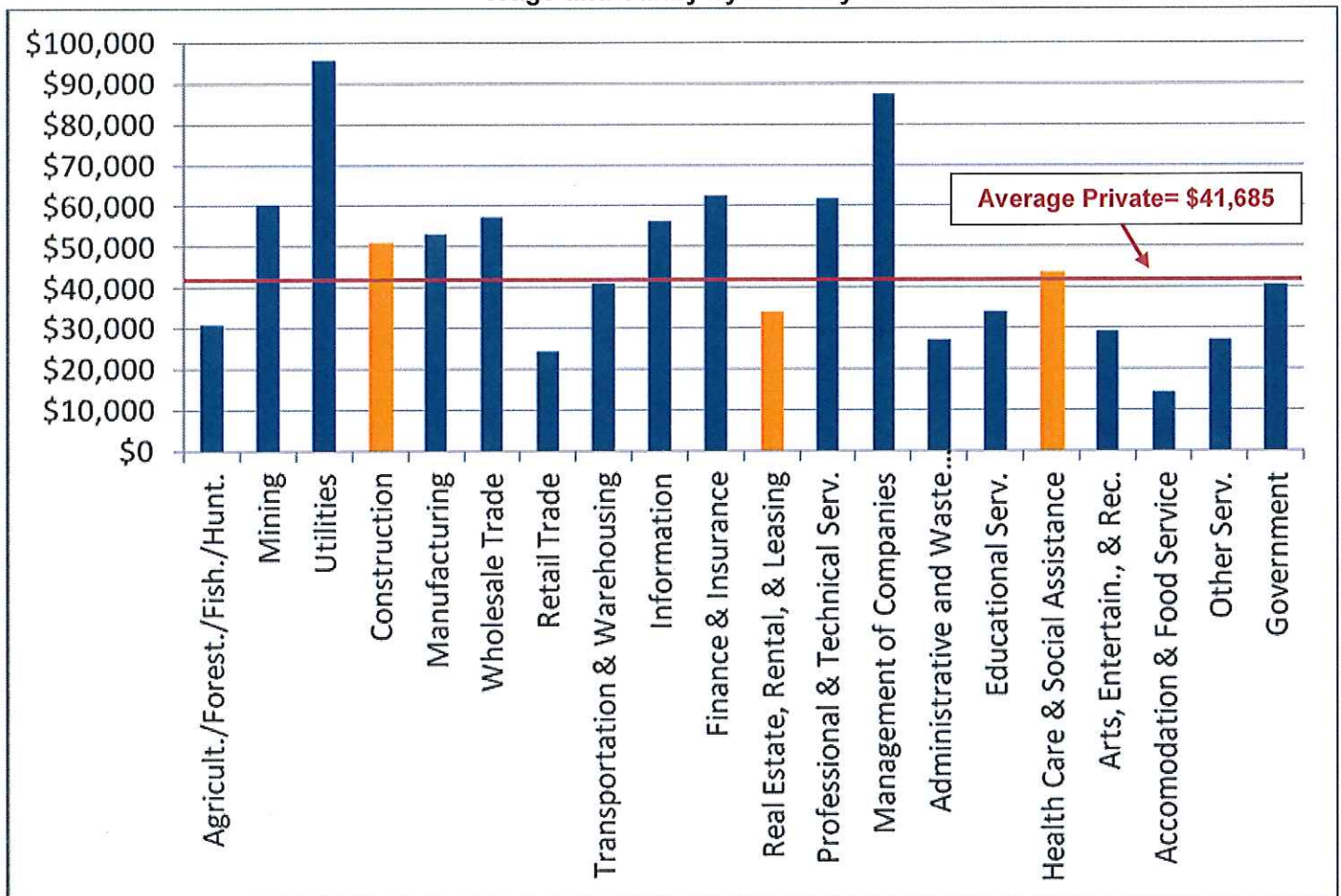


Source: U.S. Bureau of Economic Analysis (2013b)



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 2011 by major NAICS sector.<sup>9</sup> The construction sector had an annual average wage greater than 11 of the major NAICS sectors of roughly \$51,000, almost \$10,000 above the average.

**Figure 8: 2011 Wisconsin Average Annual Wage and Salary by Industry**



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

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.

<sup>9</sup> 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).

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).<sup>10</sup> 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
<b>Total</b>	<b>\$19.2 million</b>	<b>170</b>	<b>\$853 thousand</b>	<b>\$1.92 million</b>	<b>18</b>	<b>\$91 thousand</b>

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).<sup>11</sup> 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.*

<sup>10</sup> 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.

<sup>11</sup> 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 2013, over 21,000 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 *\$28.2 billion or 12.5% of Wisconsin GDP in 2012* (as shown above in Figure 6). In 2011, the real estate industry comprised roughly 3.5% of overall 2011 state employment (as shown above in Figure 7).<sup>12</sup>

*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 home sales jumped an astounding 11.4 percent in the first half of 2013 compared to 2012. Median house prices also increased to \$140,000, a 7.7 percent increase from the first

half of 2012 (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.

<sup>12</sup> 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  
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 Substance 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

## 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 Committees<sup>13</sup>**

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

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<sup>13</sup> 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><b>Hospital Care:</b> 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><b>Physician and Clinical Services:</b> 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><b>Other Professional Services:</b> 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><b>Prescription Drugs:</b> 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><b>Other Non-Durable Medical Products:</b> 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.
<b>Nursing Home Care:</b> 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.
<b>Dental Services:</b> 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.
<b>Home Health Care:</b> 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.
<b>Medical Durables:</b> 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.
<b>Other Health, Residential, and Personal Care:</b> 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.

Scott Walker  
Governor  
State of Wisconsin



Dave Ross  
Secretary  
Department of Safety and  
Professional Services

A special note of thanks  
for the dedication and hard work  
of the employees of the Department  
and the commitment of time and expertise  
of our board members  
who help to carry out our mission.

[www.DSPS.WI.gov](http://www.DSPS.WI.gov)

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