

2014-16 Executive Progress Report

Commonwealth of Virginia
Secretary of Commerce and Trade

Department of Professional and Occupational Regulation

At A Glance

The Department of Professional and Occupational Regulation protects the health, safety and welfare of the public by licensing qualified individuals and businesses and enforcing standards of professional conduct for professions and occupations as designated by statute.

Staffing 165 Salaried Employees, 11 Contracted Employees, 203 Authorized, and 21 Wage Employees.

Financials Budget FY 2015, \$22.15 million, 0.00% from the General Fund.

Trends
↑ Current license holders
↑ Applicants for new licenses
↑ Revenue collections

Key Perf Areas
↑ Licenses issued within 15 days
↑ Web site renewals
➔ Cost incurred by DPOR/licensee

Legend
↑ Increase, ↓ Decrease, ➔ Steady

Productivity
Legend
↑ Improving, ↓ Worsening, ➔ Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Background and History

Agency Background Statement

The Department of Professional and Occupational Regulation (DPOR) issues professional credentials (licenses, certificates or registrations) for more than 300,000 individuals and businesses subject to regulation, as determined by the General Assembly. The agency performs all administrative functions for 18 boards (15 policy boards, 2 advisory boards and the Board for Professional and Occupational Regulation) established by statute and comprised of practitioners and citizens. DPOR protects the public by verifying minimum competency, investigating complaints, and upholding professional compliance with state law and regulations.

DPOR regulatory boards establish minimum entry qualifications and qualify applicants based on a combination of education, experience and examination. The agency enforces standards of professional conduct by investigating reports of regulatory violations, seeking compliance with legal requirements or disciplining the regulant. Regulatory violations are subject to sanctions ranging from fines and probationary terms to license suspension or revocation.

As of the end of the 2014 fiscal year, the Department has 203 full-time positions (165 of them filled) and 21 wage positions. A non-general fund agency, DPOR is financed solely by licensing fees, which are adjusted periodically in accordance with state law to ensure revenues are sufficient but not excessive. Additionally, the agency administers and enforces federal and state fair housing law, and manages recovery funds established by statute to assist consumers victimized by licensed contractors or real estate professionals.

Major Products and Services

Products and services with a direct impact on external customers include:

- Licenses, certifications, registrations, and other authorizations
- Complaint (disciplinary) intake and analysis
- Investigation of regulatory, fair housing and unlicensed activity complaints
- Case (disciplinary) adjudication
- Alternative dispute resolution
- Public relations and consumer outreach
- Recovery fund claim processing
- Office of Common Interest Community Ombudsman

Other products and services include:

- Application development and form design
- Board administration
- Budget and financial planning
- Business continuity planning
- Case (disciplinary) compliance tracking and documentation
- Education curricula development
- Examination procurement and administration
- Information management and record disclosure
- Legislative analysis
- Reports to the General Assembly
- Regulation promulgation

Customers

Customer Summary

At the close of FY 2014, the Department of Professional and Occupational Regulation (DPOR) licensed, certified or registered over 304,000 individuals and businesses in regulated professions. The volume of regulants declined nearly 2% over the past two biennia; however, the Department expects stability in this customer group with possible growth rates of 1% during the 2014-16 Biennium. In FY 2014, DPOR received approximately 27,400 applications.

One hundred eighty-four practitioner and citizen members from every part of Virginia now serve on DPOR's 18 boards. Trade and professional organizations affiliated with regulated occupational areas include national, state and regional associations. The affiliated organizations actively participate in the regulatory and legislative processes affecting program areas. In addition, DPOR works directly with approximately 149 local, state and federal government offices and agencies in accomplishing its public protection mission and organizational goals.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Business and Finance	Regulants (individuals/businesses holding licenses, certifications, registrations and other authorizations issued by DPOR)	304,352	307,000	Increase
Applicants	Applicants (potential regulants)	27,400	28,500	Increase
Consumer	Complainants (individuals submitting complaints against regulants)	3,850	4,000	Increase
Consumer	Recovery fund claimants	124	150	Increase
Local or Regional Government Authorities	Local, state and federal government offices and agencies	149	149	Stable
State Agency(s),	Board members (regulatory & advisory)	184	184	Stable
State Government Employee	DPOR Employees	197	203	Stable

Finance and Performance Management

Finance

Financial Summary

The Department of Professional and Occupational Regulation (DPOR) budget is comprised of the appropriation of three Non-General funds: Dedicated Special Revenue, Federal Trust, and Special. Activities of the Professional Boxing, Wrestling, and Martial Arts Advisory Board and the Common Interest Community Board are conducted within the Special Fund. Federal grants that help support the Fair Housing activities are maintained within the Federal Trust fund. All other boards and agency support activities are conducted within the Dedicated Special Revenue fund. In addition to the federal grant, 99% of DPOR's source of funding is licensing and related fees charged to applicants and regulants. Pursuant to the Callahan Act (Section 54.1-113) of the Code of Virginia, fee amounts are established for each board to provide revenues and cash reserves that are sufficient for operating expenses, but not excessive. Operating expenses for each board include direct expenditures and a proportionate share of agency operations and support services. The agency receives no support from the general fund for its operations.

Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0200	Special	\$277,868	\$277,868
0259	Common Interest Community Mgmt Information Fund	\$971,721	\$971,721
0900	Dedicated Special Revenue	\$20,568,480	\$20,568,480
1000	Federal Trust	\$335,000	\$335,000

Revenue Summary

Revenue for each board is recorded in separate revenue source categories. Revenue is collected from licensing and related fees as set in regulation. The agency and the boards have no other source of revenue. Fines and penalties may be collected by the agency but all such monies are transferred to the Literary Fund. All other revenue collected pays for the expenses of the boards and a proportionate share the agency operations and support services.

Performance

Performance Highlights

Of the more than 304,000 individuals and businesses holding current licenses, certifications or registrations issued by the Department of Professional and Occupational Regulation (DPOR) at the end of FY 2014, 99.6% had no disciplinary violations during the same fiscal year. During FY 2014, DPOR processed over 155,000 initial, renewal and reinstatement applications and related payments, including approximately 27,400 applications for new licenses. The Compliance and Investigations Section processed in excess of 3,850 disciplinary complaints during the same fiscal year.

During the 2012-14 biennium, DPOR completed the migration final phase of the Department's new web-based Electronic Access to Government Licensing and Enforcement System (EAGLES), retiring its legacy licensing database in October 2014. The new licensing system offers improved data collection, maintenance and reporting capabilities that were not available from the legacy system.

Following DPOR's comprehensive overhaul of its website in FY 2012, the Department expanded its online communications to social media channels. Adding a Facebook page. The redesigned agency website launched in July 2012, featuring a more intuitive information architecture giving users multiple options for navigation, depending on their preferences. In April 2013, DPOR established its Facebook page, using the social networking site to communicate with followers about office closings/delays and service interruptions, share links to news articles, and respond to questions. The DPOR Facebook page has more than 1,200 followers at the close of FY 2014. In the spring of 2014, the Department launched its YouTube channel, which provides video tutorials (with more than 3,000 views at the close of the biennium) to assist applicants and licensees to avoid common mistakes leading to processing delays.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
22256046.001.002	Cost per licensee	Cost incurred by DPOR/licensee	Maintaining
22256046.001.001	Percent of licenses issued to qualified applicants within 15 days of receipt of completed application	Licenses issued within 15 days	Improving
222.0001	Percent of paid renewals processed through the agency's website	Web site renewals	Improving

Key Risk Factors

The addition and modification of regulatory programs assigned to the Department of Professional and Occupational Regulation (DPOR) by the legislature, as well as the potential for additional environmental and housing-related mandates (appraisers and fair housing) issued by the federal government, are among the external challenges facing DPOR. Internally, the current regulatory review process impedes the Department's ability to provide responsive and efficient services. The various reviews, approvals and mandated timeframes required by the Administrative Process Act (APA) generally result in regulations taking at a minimum 24-36 months to become effective. Regulations involving fee adjustments are especially challenging. Currently, to comply with the Callahan Act (Section 54.1-113 of the Code of Virginia) while ensuring enough time for APA requirements, fee increases must be identified and initiated two to three years before the point that expenditures are projected to exceed revenues and cash balances. Financial position and projections can change significantly during such an extended time period, so that fees initially proposed may not be appropriate by the time they become effective - requiring the boards to initiate fee adjustments immediately. Finally, ensuring the security and integrity of the license issuance process must be balanced with expectations for efficient and timely services. Any fraud prevention process improvement (e.g., identity verification, document authentication, tamper-resistant credentials) necessarily increases the workload, time and cost associated with license issuance. Given the inherent value of mandatory professional licenses to those unable or unwilling to procure them legally for whatever reason, the risk of potential fraudulent attempts is predictable, unavoidable, but also detectable and ultimately subject to prosecution.

Agency Statistics

Statistics Summary

Given the various professions and occupations assigned to the Department of Professional and Occupational Regulation (DPOR), it is conceivable that nearly all Virginia residents are served through and affected by the Department's service area programs. The statistics included in this report illustrate the magnitude of DPOR's operations. Specifically, DPOR processed 155,446 initial, renewal and reinstatement applications and related payments during FY 2014 while during the same time period, the licensing division alone handled over 274,000 telephone calls and email communications from the public.

Statistics Table

Description	Value
Number of individuals/businesses with current licenses at the end of FY 2014	304,706
Number of initial, renewal and reinstatement applications and payments processed in FY 2014	155,446
Public contact with licensing sections through telephone and email handled during FY 2014	274,276

Management Discussion

General Information About Ongoing Status of Agency

DPOR will continue its development of fully interactive business processes, including on-line licensure, address changes, case management, and reporting capabilities. Secure, user-friendly online services are essential to meeting citizen expectations, improving customer service, excelling with e-government initiatives, managing and evaluating operations effectively, and redirecting staff to higher-level workflow activities. Balancing the significant resource investments in application and employee development required for such transformation, however, requires the Department to identify other processing efficiencies.

Ongoing expansion of DPOR's innovative electronic document management capabilities will continue to improve Freedom of Information Act (FOIA) and in-house research response time through desktop retrieval of electronic records in a fraction of the time needed to retrieve paper documents. Additionally, the agency will continue its conversion of internal paper/non-interactive forms to interactive forms with digital (electronic signature) capability thereby eliminating the cost and delay associated with paper record processing.

The comprehensive restructuring of operational units during the FY 2012-14 biennia—largely in response to the new strategic initiative focused on ensuring the security and integrity of the license issuance process—identified several areas of opportunity for improved quality assurance, employee retention and succession planning. DPOR will continue its process improvement efforts by investing in employee professional development, specifically stressing technical training for customer service skill sets and coaching for core competencies, and emphasizing the effective use of reliable data and measures to evaluate and improve performance, teamwork and employee morale.

Information Technology

Population increases and new regulatory programs (affecting customer bases) create increased demand for agency services, particularly fully interactive business processes including on-line licensure and case management. Renewed emphasis on planning and accountability generates greater demand for automated data reporting capabilities to support planning and decision-making as well as performance evaluation.

Implementation of the Department's new licensing system and enhancement of the internal enforcement tracking system, while intended to expand automated processing capabilities, may provide limited functionality for handling nuances across diverse programs.

Changes driven by Virginia Information Technology Agency (VITA) support activities may affect DPOR's ability to serve its internal and external customers, and expenses associated with meeting VITA mandates likely will increase DPOR overhead costs.

Workforce Development

As the operational needs of DPOR evolve to better align our mission and the expectations of our customers, professional development opportunities for our workforce are critical. DPOR is a customer service-orientated agency charged with assisting and protecting the public with regard to our regulated professions. In an effort to focus on enhancing our customer service philosophy throughout the agency, employees are encouraged to explore various online training opportunities afforded through the Commonwealth of Virginia Knowledge Center and other on-demand training providers. DPOR also continues to encourage and support specific employee development initiatives connected to individual positions, and extends a tuition reimbursement program as an additional consideration for job-related courses/programs. Implementation of the Department's new licensing system, requires continued training to allow employees to fully utilize this advanced system. DPOR partners with the Performance Management Group through Virginia Commonwealth University and identifies employees to participate in supervisory and/or management level programs to refine or establish their leadership skills. Considering all of DPOR's professional development efforts combined with our succession planning and cross-training initiatives, DPOR strives to be adequately prepared to meet our customer's needs as we move into the future.

Physical Plant

The Department of Professional and Occupational Regulation (DPOR) is located in the Perimeter Center office building in Henrico County's Deep Run Office Park. The Department of General Services leases the building at 9960 Mayland Drive, Richmond, Virginia, 23233 and in turn has assigned that space to six state agencies. DPOR leases approximately 40,000 sq. feet of commercial office and storage space in the four-story

building.

The Department employs more than 200 individuals with 28% of those positions [many as field investigators with home offices] telecommuting at least 32 hours each month, and another 21% telecommuting on an occasional basis.
