

2016-18 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 172 Salaried Employees, 3 Contracted Employees, 203 Authorized, and 21 Wage Employees.

Financials Budget FY 2017, \$23.39 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

Productivity

➔ Cost incurred by DPOR/licensee

Legend ⬆ Increase, ⬇ Decrease, ➔ Steady

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 pursuant to Title 54.1 Subtitle II of the Code of Virginia. The agency performs all administrative functions for 19 boards (15 policy boards, 3 advisory boards and the Board for Professional and Occupational Regulation) 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.

Additionally, the agency administers and enforces federal and state fair housing law, operates the Office of the Common Interest Community Ombudsman; and manages recovery funds established by statute related to contractors, real estate, and common interest communities.

As of the end of the 2016 fiscal year, the Department had 203 full-time positions (172 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.

Major Products and Services

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

- Licenses, certifications, registrations, and other authorizations
- Regulation promulgation
- 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
- Human resource management
- Information management and record disclosure
- Information systems development and maintenance
- Legislative analysis
- Policy/procedure development
- Procurement of goods/services and supply inventory management
- Quality assurance and performance measurement
- Reports to the General Assembly
- Social media/website content management

Customers

Customer Summary

At the close of FY 2016, the Department of Professional and Occupational Regulation (DPOR) licensed, certified or registered more than 305,000 individuals and businesses in regulated professions. The volume of regulants has remained stable since the end of FY 2014. The Department expects continued stability in this customer group. During FY 2016, DPOR received approximately 24,000 applications for licensure.

One hundred ninety-four practitioner and citizen members from every part of Virginia now serve on DPOR's 19 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
State Agency(s),	Board members (regulatory & advisory)	194	194	Stable
State Government Employee	DPOR Employees	193	203	Increase
Business and Finance	Regulants (individuals/businesses holding licenses, certifications, registrations and other authorizations issued by DPOR)	305,276	304,000	Stable
Applicants	Applicants (potential regulants)	24,000	24,000	Stable
Consumer	Complainants (individuals submitting complaints against regulants)	3,470	3,500	Stable
Consumer	Recovery fund claimants	122	75	Decrease
Local or Regional Government Authorities	Local, state and federal government offices and agencies	149	149	Stable

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 percent 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 2017	FY 2018
0200	Special	\$289,814	\$289,814
0259	Common Interest Community Mgmt Information Fund	\$1,006,453	\$1,006,453
0900	Dedicated Special Revenue	\$21,762,589	\$21,764,882
1000	Federal Trust	\$335,000	\$335,000

Revenue Summary

Revenue for each board is recorded in separate revenue accounts. 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 of the agency operations and support services.

Performance

Performance Highlights

Of the more than 305,000 individuals and businesses holding current licenses, certifications or registrations issued by the Department of Professional and Occupational Regulation (DPOR) at the end of FY 2016, 99 percent had no disciplinary violations during the same fiscal year. Of the more than 154,000 initial, renewal and reinstatement applications and related payments processed by DPOR during FY 2016, approximately 24,000 were applications for new licenses. The Compliance and Investigations Section processed approximately 3,470 disciplinary complaints during the same fiscal year.

DPOR continues its efforts to provide secure, transparent, and user-friendly online transactions. The Department revamped the License Lookup database interface on its website and developed a completely paperless option for eligible real estate sales agents to transfer their licenses to new firms. The DPOR YouTube channel has been a valuable resource for applicants and licensees, with more than 70,000 views of video tutorials about the EAGLES/Online Services registration process and how to apply to activate or transfer real estate licenses. The Department also communicates online with nearly 2,000 Facebook followers about news affecting regulated professions, consumer tips, service interruptions or office closures, and public service announcements. Analytics indicate DPOR's social media presence results in an average of 18,000 monthly impressions and the agency engages in weekly conversations with Facebook followers (i.e., responding to private messages).

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

New and modified programs during the 2018 Fiscal Year include:

- A new specialty designation for licensed contractors engaged in remediation of property formerly used to manufacture methamphetamine, requiring promulgation of related regulations (pursuant to Chapter 527, 2016)

- Home inspector voluntary certification program transition to mandatory licensure within the Board for Asbestos, Lead, and Home Inspectors, effective July 1, 2017 (pursuant to Chapter 161, 2016)

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 (e.g., 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 an average of 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 notice and public comment 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 more than 154,000 initial, renewal and reinstatement applications and related payments during FY 2016 while during the same time period, the licensing division alone handled over 271,000 telephone calls and email communications from the public

Statistics Table

Description	Value
Number of individuals/businesses with current licenses at the end of FY 2016	305,276
Number of initial, renewal and reinstatement applications and payments processed in FY 2016	154,103
Public contact with licensing sections through telephone and email handled during FY 2016	271,503

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 is nearing completion of 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.

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.

Although relatively new, the Department's licensing system has not proven able to expand automated processing abilities as originally intended, and making necessary programming changes remains highly resource-intensive.

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. The Department's complex 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 five state agencies. DPOR leases nearly 44,000 sq. feet of commercial office and storage space in the four-story building.

The Department employs more than 193 individuals with 24 percent of DPOR's full-time positions [many as field investigators with home offices] telecommuting at least 32 hours each month, and another 22 percent telecommuting on an occasional basis.