

Council on Licensing, Enforcement and Regulation



Outsourcing of Credentialing and Licensing Functions

Presenters: Charlie Koop, PSI
Foye Longworth, Michigan
Kate Baca, New Mexico
Zachary Urban, Colorado

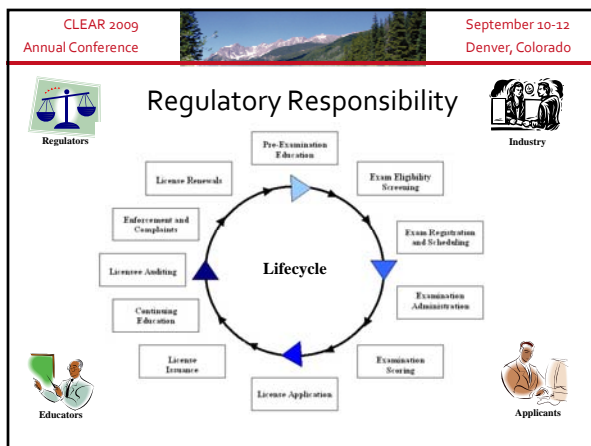
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Big Picture

- Revenue decrease
- Deficit increase
- Staff decrease
- Workload increase
- Budget decrease
- Hiring freezes





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Need


- Maintain regulatory responsibility
 - Protection of the Public
- Do more work with less staff and money
 - Staff quality, unstable budgets
- Increase in technology services
 - Instant gratification
- Increase in litigation
 - Sue-happy

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Outsourcing


- Education
- Application
- Examination
- License Issuance
- Database Management
- Auditing
- **Enforcement & Complaints**
- Renewals




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Education


- Course/Instructor Approval
- Course Audits
- Collect Pre-license and CE Credits
 - Automated School Site (100% compliance)
- CE Audits and Notifications




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Application


- Receive and process applications
- Eligibility screening (work, education)
- Process fees
- Fingerprinting
- Background checks
- Initial application & renewals




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Examination



- Test Development
- Registration & Scheduling
 - Call Center & Internet Services
- Test Administration (test centers & staff)
- Scoring & Reporting
- Integration with Licensee Database




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License Issuance


- Photo-bearing licenses
 - Wall license
 - Pocket card
- Issued on site or mailed
- Initial & renewals
- Credentialing program in Michigan



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Database Management

- License Processing – Updates & Edits
- Reporting
- Audits
- Enforcement/Compliance
- Payment Processing
- Licensee/Company Lookup
- Complaints
- Status/Notification




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Auditing


- Course Audits
- CE Compliance
- Enforcement
- Recordkeeping
- Notifications





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Payment

- Applicants for Licensure
- Candidates for Examination
- Education Providers
- Licensees




Outsourcing of
Credentialing and
Licensing Functions


Presenters: Foye Longworth, Departmental Analyst; MI
DLEG; Testing, Education & Program Services

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History


- Late 1970's to mid 1980's
- Department of Licensing & Regulation (L&R)
 - Umbrella agency established
 - Independent licensing Boards consolidated
- Testing Services Division (TSD)
 - Consolidation
 - Uniformity

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- 1980's
 - Reduction of state employees (12 FTEs in TSD)
 - Contracting for state services
- Large volume pencil & paper administrations
 - national nursing and medical examinations
 - national engineering and architects examinations
- Examination development and administration of the pencil & paper Real Estate Broker and Salespersons examinations.


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- Mid 1990's
 - All larger exam programs contracted
 - Except low volume exams (< 100 candidates a year)
 - National examinations contracting on their own
 - CBT or CAT
 - (6 FTEs in TSD)
- 2001
 - Health Services Bureau transferred to Department of Community Health - 2FTEs
 - Downgraded to an Office from a Division
 - Retired Director, Dr. Kara L. Schmidt, replaced by a lower level position of office administrator

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Adding, Shifting & Reducing

- New responsibility
 - Approval of precicensure and CE
- Office of Testing & Education Services
- 3 FTEs and a manager
- Shift in duties
 - Developing Requests for Proposals (RFP)
 - Contracts Administration
 - Amendment negotiation

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The Present

- Testing, Education & Program Services Unit
 - IT database interface with our testing vendor
 - State Department of Information Technology
- Contracting with national associations
 - Testing
 - Credentialing
- 3 major contracts for all other exams
- Contract administration

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Consolidation & Contracting

- Consolidation of exam programs & Contracts
- 1 vendor for all 3 contracts
- Theory & practical exams
- Test development
- Test administration
- Testing facilities
- Reporting
- Licensing

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Technology

- Vendor provided web-based partner site for client access to candidate information, statistical reports, etc.
- Series of 13 job analysis surveys were conducted using e-mail and survey monkey over the web
- Test generation software
 - Unique, equivalent forms

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Technology

- Online registration, payment and scheduling
 - Convenience
- Online candidate information
 - Instant updating (better info = fewer complaints)
- Onsite immediate test results
 - Reduced processing and mailing costs
- Onsite Photo Pocket Card Licenses
 - Streamlining, convenience, reduced costs

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Future

- Statement of Work (SOW) in 1991 - 12 pages
- SOW in 2007 - 42 pages
- Increase in licensing services
- Credentialing services
 - The Bureau is looking to a future when the “Wall License” is replaced with the Photo Pocket Card License issued by a vendor. This does, however, take legislative change (lots of time!).

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Additional Contracting

- License renewals
- Approval of continuing education/continuing competency providers and courses
- Application processing/Eligibility Screening
- Collection and verification of continuing education/continuing competency credits of licenses

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Conclusion

- Contracting – savings of \$Millions
- Reducing – staff & budgets
- Shifting responsibilities
- Additional responsibilities
- Consolidation – programs & functions
- Technology
- Contract Administration
- In-house expertise




**Outsourcing of
Credentialing and
Licensing Functions**


Presenters: Kate Baca, Deputy Director/Counsel
New Mexico Regulation and Licensing
Department, Construction Industries Division

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Background

- New Mexico Construction Industries Division
 - Largest Division in RLD
 - Generally funded through legislative appropriations from the general fund
- Construction Industries Commission
 - Nine-member body appointed by Governor

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Outsourcing

- Goal: Administration of CID's Licensing
- Issue & Renew Licenses & Certificates
 - Contractors, qualifying parties, journeymen
- 2-year initial term + 2-year renewal
- Agency Resources – consulting support
 - Management, legal, licensing, compliance staff

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Scope of Work

- Customer Service
 - Web site, public information, Spanish, application materials, surveys, Albuquerque office
- Application/Renewal Processing
 - Process applications, issue licenses, collect & maintain CE, process fees
- Reporting & Records Management
 - Electronic licensing system, record storage, reporting

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Workload

• New Contractor Licenses:	1857
• Qualifying Party Certificates:	2265
• Contractor Renewals:	4907
• LP Gas New Dealer Licenses:	46
• LP Gas QP Certificates:	337
• LP Gas Renewals:	583
• New Journeyman Certificates:	729
• Journeyman Renewals:	1562
	12,286

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Compensation & Terms of Payment

- Fee-share agreement
 - Contractor collects all fees from applicants/licensees and remits portion to CID
- Contractor responsible for all costs
 - No reimbursement from CID
- Contractor costs/fees covered by applicants/licensees

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Revenue

- Gross fees >\$2.5M
- Contractor <25%
- Savings – 50% over previous vendor


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CID Website

- **Licensing and Examination Services Provided by PSI**
- For exam services or licensing, [click here to go to PSI's website](#).
- Contact PSI for questions about:
 - Becoming licensed in New Mexico
 - Acquiring an additional license or journeyman certification
 - License renewal Journeyman certification or renewal of certification
 - Change of licensee address
 - Change of name on a license
 - Change of business entity type
 - Canceling a license
 - Request for a license classification determination (e.g., proper license classification for a particular kind of contracting)

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PSI Website



Welcome to PSI's Electronic Services Portal for New Mexico Contractor Licensing

Please use one of the following links to locate the services that you wish to use:

- [Search for public information on a Contractor/LPG Dealer License, Journeyman, or Qualifying Party](#)
- [Download Forms and Instructional Documents](#)
- [Contact PSI Concerning New Mexico Construction Licensing](#)
- [Register, schedule or download contractor examination information](#)

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Outsourcing of Credentialing and Licensing Functions


Presenters: Zachary Urban
Director of Communications & Operations
Colorado Department of Regulatory Agencies
Division of Real Estate

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Background

- Division of Real Estate
 - Department of Regulatory Agencies (DORA)
 - Real Estate Broker, Appraiser and Mortgage Broker Industries
 - Cash funded from fees (97% licensing fees)
 - Fees established annually

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Outsourcing

- Goals:
 - Development, registration, administration, scoring and reporting of results of licensing examinations - existing
 - New records management system (RMS) - new
- 3-year initial term + 2, 1-year renewals

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Scope of Work

- Vendor administers exam program
- Vendor develops technology for RMS
- DRE staff are users of RMS
 - Public Access
- Additional Services (Fingerprinting)

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RMS Business Functions

- Auditing
- Licensing
- Enforcement
- Examination
- Administration
- Education
- Utility Processes
- Additional Requirements

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RMS Workload

- License Transactions: 34,000
- Brokers/entities 45,000
- Appraisers 5,300
- Mortgage 8,900
- Examinations
 - 2004 >10,000
 - 2009 <8,000
 - Decrease for brokers & appraisers
 - Mortgage moving to national program

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Compensation & Terms of Payment


- Contractor responsible for all costs
 - No reimbursement from DRE
- Contractor costs/fees covered by applicants/licensees
- Consequence of lower testing volumes = less revenue for RMS maintenance

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Success

- RMS meets expectations
- Quicker application processing
- Mortgage entirely online
- Real Estate and Appraiser renewal online

- Result = huge savings for staff & resources

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Future

- Expand outsourcing efforts
- Additional enhancements to RMS
- Paperless – save time & mailing costs
- License Pocket Cards

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