

Commonwealth of Virginia Department of Professional and Occupational Regulation

Organizational Assessment

October 2019



VCU

Performance Management Group
L. Douglas Wilder School of Government and Public Affairs



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EXECUTIVE SUMMARY

In May 2019, the Performance Management Group (PMG) of the L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University was engaged by Mary Broz-Vaughan, then Acting Director of the Department of Professional and Occupational Regulation (DPOR), to complete an organizational assessment of the agency. The need for the assessment was based upon two directives: a request by the General Assembly as part of the 2019-2020 budget process and a recommendation of a Joint Legislative Audit and Review Commission (JLARC) assessment of the agency completed in 2018. The assessment was to be completed and submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations Committee and Senate Finance Committee along with the agency's estimated funding needs by November 1, 2019.

The foundation of the PMG assessment was 40 interviews with department staff at all levels along with reviews of similar agencies in other states. The assessment also references the results of an internal DPOR employee survey conducted by DPOR senior leadership. The goal of the assessment was to identify alternative organization structures and operational best practices.

In general, staff noted they have seen beneficial changes in the agency under the leadership of the new agency director. However, there were several findings where improvements are recommended. These include:

- Adding an additional deputy director and restructuring the agency to allow for increased management focus and process optimization,
- Adjusting HR processes to address the lengthy hiring process used to fill vacancies, which will improve employee performance and morale,
- Improving internal communication processes to increase employee awareness of agency initiatives,
- Documenting agency procedures to improve onboarding for new staff and encouraging cross training of existing staff, and
- Optimizing IT capacity to ensure business requirements and agency processes are supported

The assessment indicates DPOR staff are invested in the work they do, and they believe in the mission, vision and values of the agency. Changes are needed to ensure staff maintain that level of enthusiasm. PMG believes implementing the assessment recommendations will increase staff engagement and enable the agency to better support the citizens of the Commonwealth.

OVERVIEW

The Virginia Department of Professional and Occupational Regulation (DPOR) is an executive branch agency under the Secretary of Commerce and Trade. The agency has a Maximum Employment Level (MEL) of 203 and currently has approximately 180 full-time employees overseeing 18 regulatory boards and programs and supporting more than 300,000 individuals and businesses operating within the Commonwealth. A summary organization chart is available in Appendix A and a list of regulatory boards is available in Appendix B. The primary focus of DPOR is the issuance of professional credentials and enforcement of standards of professional conduct for licensees. DPOR was evaluated by JLARC in 2018 and the study mandate is available in Appendix C. Also, as part of the recent biennial budget review, the General Assembly directed DPOR to “conduct a comprehensive assessment of its staffing needs and organizational structure to improve its performance, increase efficiency and effectively conduct its responsibilities and obligations.” This directive is available in Appendix D.

Mary Broz-Vaughan, serving as Acting Director of DPOR starting in February 2019, engaged PMG to complete an organizational assessment of DPOR. The General Assembly also requested a review of the organization based on JLARC’s recommendations. Since engaging PMG, Ms. Broz-Vaughan was appointed Director of DPOR in September 2019, which will allow the agency changes she initiated upon assuming the acting role to continue.

PMG’s assessment of DPOR included:

- Reviewing current activities
- Assessing organizational structure and staffing
- Recommending improvements based upon organizational structure, efficiencies and effectiveness, function, staff time, and best practices

Between June 10, 2019 and July 16, 2019, PMG interviewed forty people from multiple boards and units within DPOR including Finance, Compliance & Investigations, Human Resources and Information Technology. Some of the positions included in the interviews were: Administrative Services Coordinators, Directors, Board Administrators, Licensing Specialists and Board Directors. Viewing the agency from different positions provided the opportunity to find common experiences and themes.

Most of the staff interviewed by PMG reported that Ms. Broz-Vaughan is on the right path to building a better workplace and a more efficient DPOR. Revising and streamlining some of the agency’s numerous processes and hiring the needed staff to reduce stress and workloads will take a year or more. PMG believes the most important issue on the table is the need for more levels of leadership to provide guidance and a voice for others in the organization.

OBSERVED THEMES

Employees recognize and appreciate the efforts already initiated under the current leadership to optimize agency processes and procedures. Based upon survey results, it is clear agency employees support the mission, vision and values of the DPOR and are committed to ensuring its success in supporting the more than 300,000 individuals and businesses of the Commonwealth.

1.0 Organizational Structure

DPOR is a relatively flat organization with most of the management and staff reporting to the Director. Several staff noted that in the past, having another level of management between senior management and the Director provided increased opportunities for communication and day to day support, guidance and oversight they believe is lacking in the current structure.

Staff appreciate the efforts of the Director to engage and support them through the implementation of several employee focused programs. They also value opportunities for professional development recently made available. They highlighted the Director's attention to individuals, inclusiveness, engagement and genuine concern for their well-being and development.

Staff reported that while feeling more valued under the new Director, they believe that as numerous units report directly to the Director, the ability to sustain an increased attention may prove difficult.

There is a strong support and commitment amongst those interviewed for the Director to succeed and believe an additional level of senior management may help ensure her success.

The Deputy Director of Compliance & Investigations position has been vacant for two years and it has required the department Directors (direct reports to the Deputy Director of Compliance & Investigations) to provide the only oversight for this group. There are silos in the unit since Directors reportedly do not frequently engage with one another. The long-term vacancy in leadership fosters a sense of instability for staff. Several staff reported they believe the addition of a Deputy Director would increase oversight on the investigation process and likely reduce delays in resolving cases.

2.0 Regulatory Boards Functions

Most staff members are pleased with the current regulatory board structures. They appreciate the mix of professional expertise and lay person points of view in decision making. They believe the structure protects the citizens of the Commonwealth. The specialization of each board also allows those staffing it to become well versed in the fields monitored by their boards. It was generally agreed that roles are well defined within the board sections, which are functionally assigned among five board executive directors and among the staff positions and everyone is clear on their areas of responsibility.

Though most are pleased with the functions of the regulatory boards, they are not often knowledgeable about boards other than the one they staff. This results in staff operating in silos and not understanding how the DPOR organization functions. Staff members noted

that they tend not to rely on each other across board sections because they do not know colleagues outside their immediate area of responsibility and are unable to assist them during peak periods of activity.

Often, boards differ in their forms, processes, regulations and requirements and these cannot be learned quickly. These unique features also make it harder to develop common IT systems or integrate individual IT systems. In addition, physical separation of boards by floor lessens interaction. For example, the Contractors board is on the first floor while the others are on the fourth. This may seem minor, but the lack of spatial proximity is likely to impede connectivity.

It should be noted some respondents suggested there are operational benefits gained by maintaining the regulatory board silos in that it allows each regulatory board to optimize its processes and forms specific to the needs of their constituents. However, there are drawbacks to this model as noted in survey results and in the comments noted above, as well as JLARC report recommendations.

3.0 Staffing Levels

Staff recognizes the agency is currently understaffed and there are currently many open positions. When asked about the number of positions needed in order to function at maximum efficiency, staff from several regulatory board sections shared that they will be staffed correctly once vacant positions were filled. Based on existing staff feedback, two regulatory board sections, Contractors and Real Estate may need additional staff to meet consumer demand. Appendix E details the open positions as well as the current recruiting status.

Several boards rely upon wage employees to handle various functions. Reportedly, these staff learn the job and leave as soon as they secure a full-time position in a different agency or role. This turnover further affects the morale of full-time staff who likely invested significant time in training part time staff only to see them leave once they were trained.

According to results from the PMG interviews, most part-time staff would prefer to stay in the agency but desire full-time positions with benefits. Within DPOR, it was reported those selected for interviews for full-time positions often do not get hired even though they are currently employed in a similar position and likely possess the needed technical skills.

Also, there are limited opportunities to accommodate the “busy seasons” of the regulatory boards. Employees typically handle the extra work but the increased workload during those times may affect operational performance.

4.0 Board Processes

As stated earlier, DPOR manages 18 regulatory boards and is responsible for overseeing a range of professions. Refer to Appendix B for details. Though different rules and regulations govern each profession, multiple interviewees suggested DPOR has some inefficiencies in the area of board processes and forms. Several interviewees shared that multiple boards have similar forms and processes but that each board may use different colored paper for the forms or a different order of the same questions instead of using a standard form layout. Variation in processes and paperwork can prevent staff from other boards from stepping in easily and helping during absences or busy periods.

Within the Compliance & Investigation department, investigators are told they must meet deadlines for their steps in the investigation but those working on other stages of the case do not have deadlines to meet. Reportedly, it took one recent case a year to go from completion of the investigation to the hearing without staff having a clear understanding for the cause of the delay.

5.0 Management & Staff Accountability

Staff noted that emphasizing employee accountability in all areas will be essential to enhancing the effectiveness of DPOR.

Multiple staff discussed the current Human Resources (HR) Director and their interest in seeing the HR Director held accountable for effecting necessary changes within the department. Interviewees pointed to the HR Director's office conditions highlighted by the photograph published in the Richmond Times-Dispatch in February 2019. The publication of the picture had a demoralizing effect on DPOR staff, and it was stated during the interviews they have yet to see any evidence of change in behavior by the HR Director. Staff noted that the HR department is likely responsible for the significant delays that have occurred for posting new positions and filling open positions. Though employee matters are confidential, staff would like to see evidence that issues are being addressed. They hope these steps forward will result in improved support from HR.

Other areas where opportunities for improvement in staff accountability were reported include:

- Managers are not consistently held accountable for their actions and the deliverables of their team.
- Staff are failing to complete work in the allotted time. This delay can prevent others from completing their assigned tasks in the allotted time. It was reported the delays were possibly due to lack of motivation and/or a lack of supervision.

6.0 Communication

Staff stated they would like to receive information about internal activities that affect the organization in a timely manner. An example given was the IT Director's last day of employment was only announced on their actual last day. Concerns amongst the staff were exacerbated as they were told the position would not be filled, leaving them to wonder how the IT Director's day to day responsibilities would be handled.

Additionally, several interviewees reported staff meetings are not scheduled on a regular basis, which leaves staff feeling "disconnected" from activities of other areas within DPOR as well as the organization.

7.0 Employee Morale

Staff expressed a strong desire to for their contributions to be valued. Low compensation, lack of respect, lack of communication, and people not being treated equally can affect morale and how employees perceive their value within DPOR. It was noted that the Director's engagement efforts are turning the tide, but some note the need for additional work in this area through activities such as compensation studies, training, and increased accountability

for managers.

8.0 Organization Mission & Strategy

Multiple staff noted a desire for increased transparency from the leadership of DPOR regarding organizational changes. In the past (before the current Director was in place), the restructuring of the organization and elimination of positions occurred with little explanation regarding the justification or the expected improvements. This lack of transparency has potentially resulted in an increase in employee anxiety regarding job security and likely a reduced willingness for staff to express concerns to management for fear of the potential elimination of their position.

9.0 Information Systems

Almost all staff interviewed discussed the need for upgraded technology. Like many state agencies, the automated systems are considered outdated. Within DPOR, several systems including EAGLES, are several years old. In the case of EAGLES, DPOR is responsible for maintaining and supporting the vendor-developed application and there is a likelihood the skills needed to do this may not be available in the future. This risk puts critical processing in jeopardy. If the system fails, the likely only solution is to invest in a replacement tool which will require time to implement, data migration if possible and DPOR staff learning the new tool all in a short period of time. Survey respondents also reported that limitations within DPOR IT systems mean units are not integrated, creating challenges for staff working on the same project but at different phases.

Those interviewed reported several IT issues are possibly limiting the opportunities for efficiencies within DPOR. One example cited was the former IT Director's prohibition of the use of Google Drive without providing a clear explanation of why it could not be used despite VITA's approval of the tool.

From the perspective of IT staff, they reported they are often not made aware of board changes or new regulations which prevents them from updating systems in a timely manner.

Paper documentation, including faxes, require a great deal of staff effort which they believe is time consuming and increases chances of lost information. It was noted by respondents that although some technological advances have been made, there is a large amount of room for improvement. Staff are optimistic regarding the potential improvement with the recent partnership with Merit and the implementation of online license renewals.

10.0 Agency Processes & Procedures

Many operating procedures have been in effect for several years but haven't been reviewed to identify potential efficiencies or to confirm alignment with recent code changes. An abundance of manual processes still exists within the agency, increasing opportunities for delays in processing and the potential for "lost paperwork."

DPOR currently does not have a comprehensive enterprise case management system to hold data. Currently, DPOR staff rely on Excel spreadsheets or paper to gather data and track cases. Often this is inefficient, inconsistent and can result in duplicate efforts across sections. Interviewees believe this practice further reinforces silos by preventing collaboration across units.

Several staff shared that non-exempt employees are required to report time using two different methods for every time period. Time information, including the times they started work, times they took lunch, and times they left work, must be entered in both the Department of Human Resource Management managed online system for time tracking, Time Attendance and Leave (TAL), and again in a PDF worksheet. Managers must then review and approve both the online TAL information as well as the information entered the PDF form. Staff question the value of using the two methods. Based on employee experience, when an accidental discrepancy between the electronic database and the information on the PDF was made, it took over a week to be noticed because “no one is checking it.” It was also reported that TAL is “overloaded on Mondays” with everyone going into the system to report/approve leave, resulting in a system time out or freeze for staff.

11.0 Career Advancement

In a recent survey, when asked if they would be able to reach their full potential at DPOR, 55% of the respondents reported a perceived lack of upward mobility/advancement opportunities and lack of training made it difficult to reach their full potential.

Within DPOR it was reported several areas have career growth strategies while others do not have a formal program. When asked why they would leave DPOR, several staff mentioned wanting better opportunities along with increased pay.

12.0 Performance Reviews

Annual performance reviews are an essential part of the staff development process. Several staff noted that evaluations are not indicative of performance. Interviewees reported several managers and directors do not use the agency employee performance management system to accurately reflect performance, which could result in an employee receiving higher than deserved ratings. A suggestion for focused training on the tool and employee review process was offered to address this issue.

13.0 Salary

Several staff reported they believe the practice of wage compression exists within DPOR, resulting in experienced staff having salaries significantly lower than recently hired peers or subordinates. It was also reported that previous agency directors provided salary “bumps” for some in pay bands 5 and 6 and the provided reasons were not justified in the minds of the staff. Included in the feedback were reports of staff demoted to lower positions while keeping their elevated salaries. It is unclear the source of the information staff used to base these perceptions but regardless it is affecting morale.

There may be salary inequality with the market as a few of interviewees noted the same job title at the Virginia Department of Health Professions (DHP) has a higher salary range for the equivalent job at DPOR, which may account for some instances of DPOR staff transferring to DHP.

14.0 Training For Staff & Supervisors

DPOR does not have a formal training unit or program and new employees typically receive training from supervisors or coworkers, if at all.

Supervisors typically have the responsibility of training new staff. Given the increased workload with the numerous open positions, plus the need to manage their normal workload and support any ad-hoc projects assigned by their managers, the time required to onboard new employees can be overwhelming. The increased time away from their work forces them to work additional hours at night or on the weekend to attempt to catch up. It was noted that interns have been known to train new staff.

It is believed that HR does not provide any internal training opportunities for managers or supervisors to gain the skills and techniques needed to effectively manage staff. In conversation and in the internal survey, staff felt managers were lacking appropriate training to effectively lead others.

As noted previously in observations related to “Staffing and Recruiting” and “Career Development,” staff reported they believe they will not reach their full potential within DPOR because of a lack of training in the skills needed to advance.

15.0 Employee Recognition

Recognition is a concern for staff at DPOR. While serving as Acting Director, Mary Broz-Vaughan initiated an Employee Recognition Program to create several events and incentives related to staff recognition. While employees recognize the positive value of the latest efforts, there are opportunities for improvement related to team recognition, e.g., between a supervisor and direct report. In the internal survey conducted by DPOR senior leadership, 132 respondents answered a question regarding recognition: “The last time you accomplished a big project or significant task, did you receive recognition?” with approximately 54% of the respondents replying “No.” When asked how important it is to receive recognition from their supervisor, coworkers and peers, approximately 43% of the survey respondents answered “very important”, 32% answered “somewhat important” and 14% of the respondents deemed it “extremely important.”

RECOMMENDATIONS

Based upon the results of the staff interviews along with PMG's experience in working with similar organizations and environments, the following recommendations are presented for consideration:

1.0 Address Hierarchical Organizational Structure to Improve Responsiveness

1.1 Fully staff the Director's leadership team

It is believed that increasing the number of Deputy Directors would address several of the observed themes, including those related to communication, accountability, transparency, etc.

Funding for additional positions should not be an issue (although a MEL adjustment may be necessary), as the General Assembly addressed the need for additional positions within DPOR in the 2018-2020 budget by mandating that "the Dedicated Special Revenue Fund, the Common Interest Community Management Information Fund and the Special Revenue Fund shall be held in reserve and may not be disbursed ...but shall be applied to offset the anticipated, future costs of restructuring its organization, including additional staffing needs." (Appendix D)

1.2 Implement a three Deputy Director organization structure

As several DPOR staff interviewed by PMG suggested, the addition of the Deputy Director roles could help the operations of the organization to focus on mission-critical licensing and enforcement programs, operations and organization development, and enterprise-wide policy and planning. The addition of a reporting layer under the Director will likely be perceived as a positive change rather than loss of accessibility to the Director.

Unlike previously when DPOR had 3 Deputy Directors and the IT Department reported directly to the Agency director, DPOR may want to have IT should report directly to a Deputy Director.

See Appendix F for the proposed 3 Deputy Director organization structure.

1.3 Establish the role of regulatory affairs manager to observe and coordinate common activities and communications between all the regulatory board sections

As part of the 2019 Biennial Budget process (Appendix D), the General Assembly requested DPOR consider establishing one or more positions vested with the following agency-wide duties:

- Coordinate and assist in the development of agency regulations;
- Coordinate agency legislative efforts;
- Lead agency communications with external parties; and
- Serve as staff to the Board for Professional and Occupational Regulation.

2.0 Address Staffing & Recruiting Needs in a Timely Manner

2.1 Update the titles of the board directors

It creates confusion when the head of the Agency is referred to as the Director while reporting staff members managing the individual regulatory boards have the title “Board Executive Director.”

2.2 Establish performance metrics for filling open positions

Filling vacant positions is essential for units to meet deadlines and avoid staff burn out.

2.3 Establish formal staff development programs to assist wage-based employees advance within the organization

Increasing growth opportunities would be an important step in improving morale and likely staff retention.

2.4 Review staff members’ skills to evaluate whether their current role fully utilizes their strengths and abilities

Where possible, increase cross-training efforts which may provide additional flexibility for staff to assume duties better matched to his or her skill sets and interests. As mandated by the General Assembly, “DPOR should evaluate whether existing part-time positions should be converted to full-time positions and if existing positions elsewhere in the department can be reallocated.” (Appendix D)

2.5 Assess board staffing needs

Once the leadership team is established, it is recommended the Deputy Directors meet with the individual boards and review and document the short and long-term staffing plans for each board and if appropriate add additional board administrators.

2.6 Recognize and plan for the impact the addition of significant staff will likely have on the agency’s culture

Adding approximately 50 staff, including management positions, will likely impact the culture of the agency. Develop a process that fully onboards the new hires into the current culture while allowing opportunities for improvement based upon new ideas.

2.7 Conduct comprehensive staffing analysis when staffing levels are closer to the agency MEL

Employees reported the workload will be manageable once the agency is fully staffed. A detailed staffing assessment/analysis conducted at this time would likely not provide actionable information as it would not be representative of the actual workload managed by staff under normal circumstances. It is recommended a staffing assessment/analysis be conducted once actual staff levels are within 5% of the agency MEL. If the agency is charged with performing employment verification, as recommended by JLARC, new positions may be required.

3.0 Increase Opportunities for Cross Training Staff

3.1 Implement a formal program to cross-train staff to be able to support multiple boards

Several interviewees mentioned the need for cross-training for board staff. The benefits of cross training are twofold in that

1. It would give board staff the opportunity to learn new information and increase career path possibilities and
2. It would provide additional staff for regulatory boards during busy periods or when a board is understaffed due to open positions.

4.0 Implement Consistent Practices and Procedures

4.1 Create a committee comprised of staff from multiple boards to review forms and their functions and encourage brainstorming on standardized language and form revision to increase efficiency and reduce training time if staff move to a new board

Multiple boards use similar forms and processes, but each may use them in a slightly different way based on preference, not regulation.

It is also recommended DPOR coordinate the work of the committee with the overall IT systems replacement project that will require comprehensive fit-gap analysis.

4.2 Assess having one regulatory analyst who works with all boards to help with the workload, and more importantly, to provide a consistent writing style for compliance and investigatory purposes

Consistency within boards could also be improved with the creation of clear procedural manuals. The manuals would decrease training time and provide a resource for oversight/accuracy checking and reduce questions from new staff, allowing supervisors more time to commit to other duties.

5.0 Streamline the Employee Leave Reporting Process

5.1 Eliminate duplicate time reporting process and rely solely on TAL, the preferred system for many Commonwealth agencies

The use of the PDF to capture duplicate information should be stopped as it increases employee frustration and introduces opportunities for recording conflicting data.

Any issues with the performance of TAL should be reported to the Department of Human Resources as other agencies are likely having similar experiences. It is important to submit system feedback to the agency overseeing the system so they can understand the impact of the issues and address them.

6.0 Emphasize Employee and Team Accountability

6.1 Hold all directors and managers accountable and ensure that they are holding staff accountable

Several staff suggested training for managers to be sure they understand the expectations and execution of supervision.

6.2 Managers should ensure staff has consistent standards and expectations according to their roles with correction or consequences for underperformance

Staff must understand the expectations of their roles and ensure they are accurately captured in their Employee Work Profiles.

Specific performance metrics should be included in employee annual performance plans so all will understand how his or her performance will be assessed and their compensation determined.

7.0 Implement Process Improvement Strategies

7.1 Each board should review current practices and compare them to the most recent legislative code for consistency and accuracy

Consider using process mapping to review those practices for consistency and efficiency and revise if needed.

7.2 Create a committee staffed by the different sections along with IT to document the shared and unique specific business requirements for case management and project management tools

Effective case and project management are essential for multiple areas in DPOR. This committee should document business requirements and work with IT to acquire and implement the tool with focus on engaging staff support of the new tools.

7.3 Establish a “quality team” to review existing processes and recommend changes to address conflicting or outdated process

A critical step to increasing efficiency within DPOR will be to review all existing processes for timeliness and relevance and then recommend where changes to existing processes or automation may be appropriate.

7.4 Proactively review regulatory needs and advise the General Assembly on changes that will enhance the efficiency and effectiveness of occupational regulation

DPOR may want to implement a model like that in Colorado, which has a division within its regulatory agency called the Colorado Office of Policy, Research & Regulatory Reform (COPRRR). This functional unit reviews “proposed regulatory programs to determine if they are needed, and it also reviews existing programs and functions of government to ensure they are necessary, fair, effective and efficient.”

The Board for Professional and Occupational Regulation (BPOR) is already statutorily charged with similar responsibility; however, DPOR has not assigned dedicated staff resources as recommended by JLARC. An increase to the MEL may be required to implement this recommendation.

8.0 Increase Training Opportunities for New Hires, Existing Staff and Management

8.1 Develop consistent onboarding training opportunities for new hires

Training was mentioned in several conversations and throughout the survey. Staff noted the need for a better understanding of the strategic plans/operations of the agency, for managers to gain effective supervision skills and for preparation for advancement within DPOR.

It is recommended DPOR develop training programs for common DPOR information (e.g., mission, vision, organization structure, unit roles, etc.), processes, and procedures to assist with onboarding new staff. This could require up to two additional full-time positions.

In having prepared training materials, there would be a consistency in the information provided to new hires as well as enable the supervisors to focus on requirements specific to the role.

8.2 Develop division and board-specific training materials

A well planned and implemented training program will likely assist existing employees desiring to move to a new team.

Within DPOR, each area should invest in developing training material specific to the unique processes of that area. Informal training such as “lunch and learn” can provide valuable opportunities for staff to educate their peers about their work.

9.0 Identify and Implement Multi-Channel Internal Communication Strategies

9.1 Deploy an intranet portal to communicate Agency specific information to staff

Staff recognize value with the current monthly newsletter and would like it to continue. DPOR should explore adding additional content to the newsletter to inform staff about overall agency activities. Also, consider other ways of sharing or allowing staff to provide other information or news through mechanisms like an intranet portal specific to DPOR.

9.2 Continue regular agency-wide meetings along with department level meetings are opportunities to share information with staff

When appropriate, senior leadership should communicate the purpose and benefit of organization changes to increase staff awareness and acceptance.

10.0 Reduce Time to Recruit and Fill Vacancies

10.1 Create metrics for HR hiring processes with timelines to be reviewed regularly

Consider creating a management dashboard for HR to track open positions and the current

status with a goal of also increasing accountability and allow DPOR management goal to easily view the status of open positions.

10.2 Review existing human resource processes to identify efficiency opportunities to decrease turnaround time for filling positions

Conduct a review to identify opportunities to improve efficiency and effectiveness

10.3 Continue the exit interview process

The HR department should encourage staff to participate in exit interviews when leaving the organization or changing teams to identify opportunities to improve employee retention.

Research suggests exit interviews are a valuable tool provided the data is reviewed for actionable themes and related improvement plans implemented in conjunction with other employee engagement and retention efforts.

11.0 Modernize Information Technology Systems to Capitalize on New Solutions Where Possible

11.1 Review the viability of Google Drive for DPOR to facilitate collaborative work within DPOR

It is important to recognize IT has been audited in the last six months and work is underway to address the findings.

PMG conducted a high-level assessment of the user experience of searching for licensing information on several state sites. The DPOR website was found to be easy to use and informative indicating the automation of some tasks is done well, allowing staff to address other issues. (Appendix G)

11.2 Establish IT/Board liaison role to better understand their board processes and changes needed to ensure new regulations are supported within existing technology solutions

Better quality information would allow IT to make more effective decisions on technology and to offer input or perspective when boards are considering IT related issues.

11.3 Position the IT department under the proposed Director of Operations

Research suggests Information Technology should directly reporting to either the Director (existing staff model) or to a Deputy Director (proposed staff model) in order to maintain visibility, support balanced priorities, receive appropriate budget planning, etc.

11.4 Move management of the “EAGLES” infrastructure to IT

The application is heavily IT-based and explore options to replace should be explored before support and maintenance become a burden.

Consider updating the application to support both common functions across all boards while also allowing the boards to implement specific but limited business requirements as needed.

11.5 Deploy additional online licensing functionality, especially for submitting and tracking applications

Staff reported a need for more of the application and licensing processes to move online for easier access for the public and reduced paperwork for staff.

It should be noted DPOR recently partnered with a third-party provider, Merit, to offer licensees a digital license option and is currently working with the provider, Pay It, to launch a mobile application to support basic transactions such as certification requests.

11.6 Implement an agency intranet using the Microsoft Sharepoint service offering currently provided by VITA

This portal could replace the monthly newsletter as well as provide a common repository for training materials, common forms, etc. (See Recommendation 9.1 for additional information.)

12.0 Improve Compliance & Investigations Transparency and Accountability

12.1 Assure consistent processes across involved areas when addressing complaints

Hold all sections involved in the resolution of a complaint to similar and appropriate standards to increase transparency in the process.

12.2 Establish clear guidelines for accountability for all Directors

We suggest establishing clear guidelines for accountability for all Directors in the unit and having regularly scheduled meetings with the entire unit to increase internal transparency and remove siloes.

13.0 Dedicate Resources to Ensure Staff Appreciation

13.1 Formalize a process for easily recognizing and incentivizing employees with a goal of increased employee unit morale

The Director has empowered employees to identify opportunities to increase engagement and improve morale. One such initiative, the Employee Recognition Committee, has created several suggestions to engage staff through events and surveys. Staff have responded positively and quite a few of those interviewed expressed their appreciation for the efforts and want to see them continue.

Staff also want to be recognized for doing good work. In an internal survey and during interviews, people said they were acknowledged by supervisors occasionally.

Employee recognition can take many forms. When asked how they preferred to be recognized for their work, staff listed the following in order of preference: monetary reward, leave, verbal recognition, on the spot/immediate acknowledgement and tangible awards. Less than 20% wanted that recognition in front of their peers. This leaves a range of options available to supervisors.

Consider a combination of the following ideas for supervisors to acknowledge staff:

- Implement leave time or an incentive structure that is easy for managers to use and receive approval,
- Encourage supervisors to send hand-written thank you notes for work that is well done like those sent by the Director, and
- Plan staff events outside of the office and outside of normal work hours. In an internal survey approximately 48% of the respondents answered a question positively that asked if they would participate in an event outside the office or outside of work hours. Another 25% were neither likely nor unlikely.

14.0 Increase Opportunities for Career Advancement**14.1 HR should publish clear guidelines for advancement within DPOR**

Staff value their work and the knowledge gained working at DPOR. Providing clear advancement guidelines would support staff retention.

14.2 Establish a formal mentoring program

A formal mentoring program could provide engagement and growth for several employees and would help identify and prepare future leaders.

15.0 Address Reported Salary Inequities**15.1 Conduct a compensation study to review current pay structures**

Consider if a review of the compensation practices at the Department of Health Professions, an agency with a similar focus and mission, would be helpful when making changes to the pay structure.

16.0 Engage with Similar Agencies in Other States to Identify Best Practices**16.1 Actively participate in the NCSL effort related to occupational licensing**

The National Conference on State Legislatures is currently leading a “2019 Occupational Licensing Multi-State Consortium.” PMG reached out to this body and learned it is primarily focused on legislative opportunities but there is likely value in DPOR engaging as much as possible with this effort to identify potential best practices for organization structure and processes.

CONCLUSION

DPOR is charged with an important mission that protects the public. Most of the staff enjoy their work and appreciate having a role in achieving the agency's mission. The positive changes implemented by Director Broz-Vaughan have begun to shift the environment for the better.

However, several issues continue to plague the agency. One of the largest impacts seems to be hiring and the delays in filling positions, which negatively effects productivity and morale. Another equally large concern is the missing level of leadership between middle managers and the acting director. Staff see those positions as essential in helping Director Broz-Vaughan manage internal and external concerns as well as a source of more easily accessible leadership and guidance for daily operations and decision making.

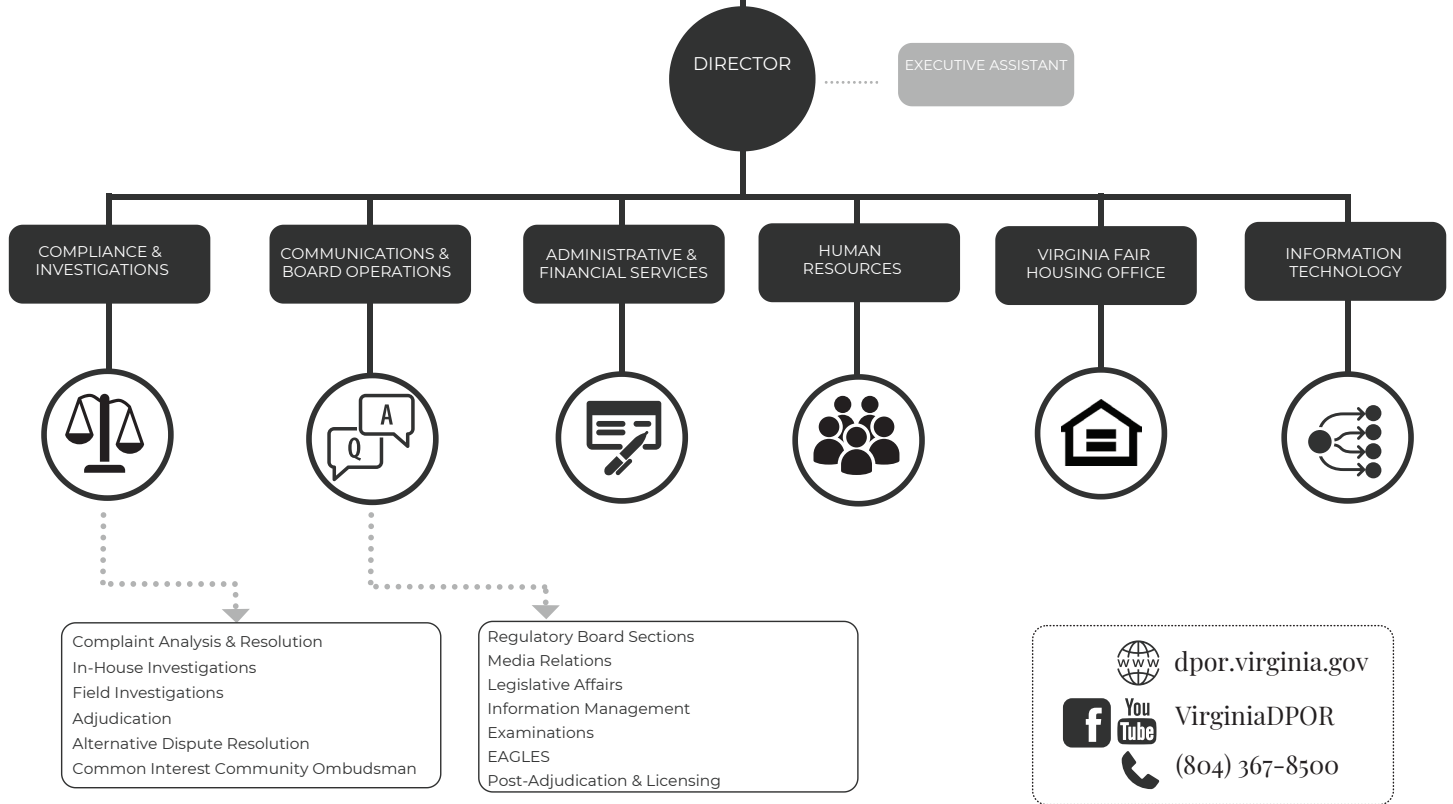
Potentially outdated process management is also a concern. Processes are in place which have not been reviewed for efficiency or effectiveness in recent years, if ever. Mapping processes or finding ways to use technology to streamline them would create more consistency and time savings for staff.

DPOR's purpose is good and meaningful. Staff are invested in the work. Making changes to increase engagement and satisfaction will be a winning move for the employees and the Commonwealth.

APPENDIX A: CURRENT DPOR ORGANIZATION STRUCTURE



Organizational Chart



APPENDIX B: REGULATORY AND POLICY BOARDS

(Adapted From DPOR Website)

Regulatory Boards §54.1	
Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects	Examines, licenses, and regulates approximately 35,000 individuals and related business entities in Virginia.
Asbestos, Lead & Home Inspectors	Licenses individuals engaged in asbestos remediation, lead-based paint remediation and renovation, and home inspection. The 14-member Board is composed of representatives of each regulated activity and two citizens.
Auctioneers	Regulates individuals and firms that conduct auctions. The Board is composed of three licensed auctioneers and two citizen members.
Barbers and Cosmetology	Licenses individuals and businesses that perform barbering, cosmetology, nail care, waxing, tattooing, body piercing, and esthetics. The Board also regulates individuals who teach and schools that provide training in those areas.
Boxing, Martial Arts, and Professional Wrestling	Offers guidance to the DPOR Director for regulation of promoters and events involving professional boxing, martial arts, and professional wrestling. The Advisory Board is composed of representatives of each discipline and two citizen members.
Branch Pilots	Licenses the pilots responsible for safe passage of ships in Virginia's major shipping lanes and waterways.
Cemetery Operators, Perpetual Care Trust Funds and Preneed Burial Contracts	Regulates for-profit cemeteries that offer perpetual care services or pre-need burial contracts, and that are required to maintain trust fund accounts.
Common Interest Communities	Regulates common interest community managers, as well as certain employees of licensed management firms. The Board's authority also includes condominium and time-share project registrations.
Contractors	Licenses businesses engaged in the construction, removal, repair, or improvement of facilities on property owned by others. Scope includes individual tradesmen who engage in the trades of electrical; plumbing; heating, ventilation, and air conditioning (HVAC); gas fitting; water well construction; elevator mechanics; backflow prevention; and building energy analysis.
Fair Housing Board	Administers and enforces national and state fair housing laws.

Hearing Aid Specialists and Opticians	Licenses individuals who test and fit hearing aids, and individuals who fit and sell prescription glasses and contact lenses.
Natural Gas Auto Mechanics & Technicians	Offers technical guidance in administering a voluntary certification program for natural gas automobile mechanics and technicians.
Polygraph Examiners	Licenses individuals who administer and interpret tests designed to detect deception or verify truth
Real Estate Brokers, Salesperson and Rental Location Agents	Licenses salespersons, brokers, and firms representing others in property transactions. The Board also enforces Fair Housing Law in cases involving real estate licensees and their employees.
Real Estate Appraisers and Appraisal Management Companies	Regulates individuals and firms that estimate the value of real estate, as well as appraisal management companies (AMCs), in accordance with federal guidelines
Soil Scientists, Wetland Professionals, and Geologists	The Board for Professional Soil Scientists, Wetland Professionals, and Geologists is composed of three professional soil scientists, three wetland delineators, three geologists, two citizen members, and the State Geologist
Waste Management Facility Operators	Establishes training criteria, approves training providers, and licenses qualified individuals who manage waste facilities in the Commonwealth.
Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals	Licenses individuals who operate water and wastewater treatment facilities, as well as onsite soil evaluators, onsite sewage system installers, and onsite sewage system operators.

Policy Board

Within DPOR, there is the Board for Professional and Occupational Regulation (BPOR) which is a nine-member policy board established by the General Assembly [§54.1-309](#) responsible for

- Monitoring the policies and activities of the Department;
- Evaluating the need for regulation, if any, of unregulated professions or occupations;
- Advising the Governor and Department Director on matters relating to professional regulation;
- Recommending regulatory frameworks to the General Assembly, when professional regulation is necessary to protect the public interest; and
- Providing citizen access to the Department and promoting education of the public about professional regulation.

As described in the JLARC assessment, “BPOR does not have supervisory authority to review or approve the DPOR budget or make changes to DPOR leadership.”

APPENDIX C: JLARC DPOR STUDY MANDATE

Resolution of the Joint Legislative Audit and Review Commission directing staff to review the operation and performance of the Virginia Department of Professional and Occupational Regulation.

Authorized by the Commission on July 10, 2017

WHEREAS, 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, including architects, contractors, cosmetologists, real estate professionals, land surveyors, and many others; and

WHEREAS, the Department oversees the 20 regulatory boards that establish minimum standards and appropriate credentials for the professions and occupations they regulate, and set the amount of fees charged when issuing credentials; and

WHEREAS, the Department issues professional credentials—licenses, certificates, or registrations—to individuals and businesses that meet the minimum standards established by each board; and

WHEREAS, more than 304,000 individuals and businesses held professional credentials issued by the Department as of May 1, 2017; and

WHEREAS, the Department enforces the standards of professional conduct established by the regulatory boards by investigating reports of violations and issuing sanctions and other disciplinary actions, including fines, probationary terms, and license suspension or revocation; and

WHEREAS, the Department receives no general fund appropriations, being funded exclusively through credential application fees, which are required by the Callahan Act to be enough for operating expenses but not excessive; and

WHEREAS, changes to the Department's credential qualifications or application fees are subject to the Administrative Process Act; and

WHEREAS, the Department employs 203 staff and operates with a non-general fund budget of \$23.4 million; and

WHEREAS, Executive Order 17 issued in 2014 establishes that all regulatory activity should be necessary to protect the health, safety, and welfare of the public, and that regulations should be designed to achieve their objectives in the most efficient and cost-effective manner; and

WHEREAS, the Joint Legislative Audit and Review Commission (JLARC) last completed a review of Virginia's occupational and regulatory boards in 1982; now, therefore be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review the operation and performance of the Department of Professional and Occupational Regulation. In conducting its study, staff shall (i) review whether the Department is organized and staffed to efficiently and effectively process applications for new and renewed professional credentials, respond to complaints about individuals or businesses, and support the work of each regulatory board; (ii) determine whether the Department's staffing and administration of regulatory board meetings effectively facilitate public participation and access; (iii) determine whether the Department appropriately enforces the standards of professional conduct established by the regulatory boards;

(iv) determine whether the standards and fees established by the Department and its regulatory boards, and the requirements of the Administrative Process Act, are reasonable and identify any requirements or fees that unnecessarily prevent or hinder individuals or businesses from entering into or remaining in their professions; (v) determine whether the policies and procedures for modifying fees allow the Department and regulatory boards to respond to changing budgetary needs in a timely manner and ensure that boards are not carrying excessive surpluses or deficits; (vi) compare the Department's regulatory requirements and other provisions and the number and type of professions it regulates to those regulated in other states; and (vii) evaluate whether the Department is effectively contributing to the Commonwealth's economic interests through coordination with other agencies in the Commerce and Trade Secretariat and the Virginia Community College System. JLARC staff may review other issues and make recommendations as appropriate.

All agencies of the Commonwealth, including the Department of Professional and Occupational Regulation and its regulatory boards, the Virginia Board for Workforce Development, and the Virginia Community College System shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of state agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia including all documents related to disciplinary proceedings or actions of the boards. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.

JLARC shall complete its work and submit a report of its findings and recommendations to the Commission by December 15, 2018.

APPENDIX D: DPOR 2018-2020 BUDGET

	First Year— FY2019	Second Year— FY2020
Regulation of Professions and Occupations (56000)	\$23,954,438	\$23,954,438
Licensure, Certification, and Registration of Professions and Occupations (56046)	\$7,550,924	\$7,550,924
Enforcement of Licensing, Regulating and Certifying Professions and Occupations (56047)	\$7,913,854	\$7,913,854
Administrative Services (56048)	\$8,489,660	\$8,489,660
Fund Sources:		
Special	\$1,328,410	\$1,328,410
Dedicated Special Revenue	\$22,291,028	\$22,291,028
Federal Trust	\$335,000	\$335,000

A. Any fund balances currently held in the Dedicated Special Revenue Fund (0900), the Common Interest Community Management Information Fund (0259) and the Special Revenue Fund (0200) shall be held in reserve and may not be disbursed by the Department of Professional and Occupational Regulation, but shall be applied to offset the anticipated, future costs of restructuring its organization, including additional staffing needs and the replacement or upgrade of the Department's information technology systems requirements as listed in (B) and (C) of this item. Such reserve funds shall be disbursed only to cover expenses of the Department or its regulatory boards as provided in [§54.1-308](#).

B.1. The Department of Professional and Occupational Regulation shall conduct a comprehensive assessment of its staffing needs and organizational structure to improve its performance, increase efficiency and effectively conduct its responsibilities and obligations.

B.2. The purpose of the assessment is to ensure that the department has sufficient staffing resources to (i) meet performance goals for processing transactions and handling customer inquiries and (ii) perform employment verifications and on-site audits recommended by JLARC. If the assessment finds additional positions are needed, DPOR should evaluate whether existing part-time positions should be converted to full-time positions and if existing positions elsewhere in the department can be reallocated.

B.3. During its comprehensive assessment the Department shall: (i) consider establishing one or more positions vested with the following agency-wide duties: (a) coordinate and assist in the development of

agency regulations; (b) coordinate agency legislative efforts; (c) lead agency communications with external parties; and (d) serve as staff to the Board for Professional and Occupational Regulation; (ii) rank all vacant positions based on how critical they are to the department's ability to fulfill its responsibilities in order to enable its human resources staff to use the rankings to prioritize the advertising and filling of positions, using hiring processes that reflect best practices; and, (iii) consider reassignment to other divisions the following functions that are currently assigned to the licensing division: (a) handling Freedom of Information Act requests; (b) scanning documents; (c) managing policies and procedures; (d) evaluating business processes; and (e) agency-wide training.

B.4. The assessment should be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations Committee and Senate Finance Committee along with the agency's estimated funding needs by November 1, 2019.

C.1. In consultation and cooperation with the Virginia Information Technologies Agency (VITA) and the Commonwealth's Chief Data Officer, the Department of Professional and Occupational Regulation shall develop a plan to replace or upgrade the current information technology system, including the licensing system, utilized by the Department. At a minimum, the new or improved information technology system should have the capacity to do the following: (i) accept and process applications and payments online; (ii) improve the ease of online renewals; and (iii) integrate licensing data with enforcement case management data. The plan should identify the expected staffing needs during and after the system upgrade or replacement project, how staffing needs will be met, and the cost of the proposed upgrade or project.

C.2. When developing the plan to replace or upgrade the current information technology system, including the licensing system, the Department of Professional and Occupational Regulation shall consider the transfer of information technology-related responsibilities for its licensing system and technical aspects of website management, records management, and electronic forms, from the licensing division to the Information Technology division.

C.3. The plan should be submitted to the Department of Planning and Budget and the Chairmen of the House Appropriations Committee and Senate Finance Committee along with the agency's estimated funding needs by November 1, 2019.

D. The Department is authorized to provide electronic credentials to persons regulated by the Department or its regulatory boards. An "electronic credential" means an electronic method by which a person may display or transmit to another person information that verifies information about a person such as their certification, licensure, registration, or permit. Any statutory or regulatory requirement to display, post, or produce a credential issued by a Department regulatory board or the Department may be satisfied by the proffer of an electronic credential. The Department may use a third-party electronic credential system that is not maintained by the agency. Such electronic credential system shall include a verification system that is operated by the agency or its agent on its behalf for the purpose of verifying the authenticity and validity of electronic credentials issued by the Department. No funds are appropriated for this purpose.

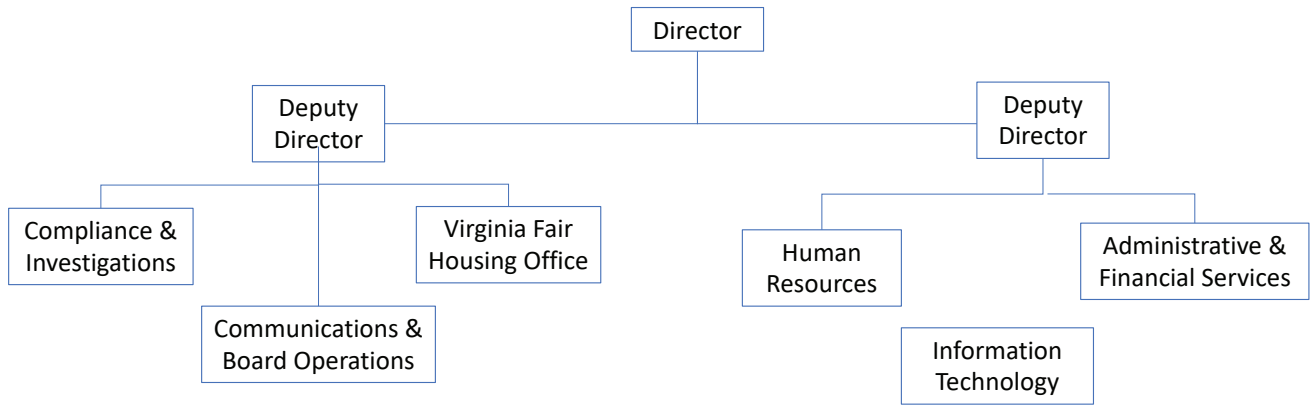
Source: <https://budget.lis.virginia.gov/item/2019/1/HB1700/Enrolled/1/119/>

APPENDIX E: DPOR JOB VACANCIES AS OF 10/31/2019

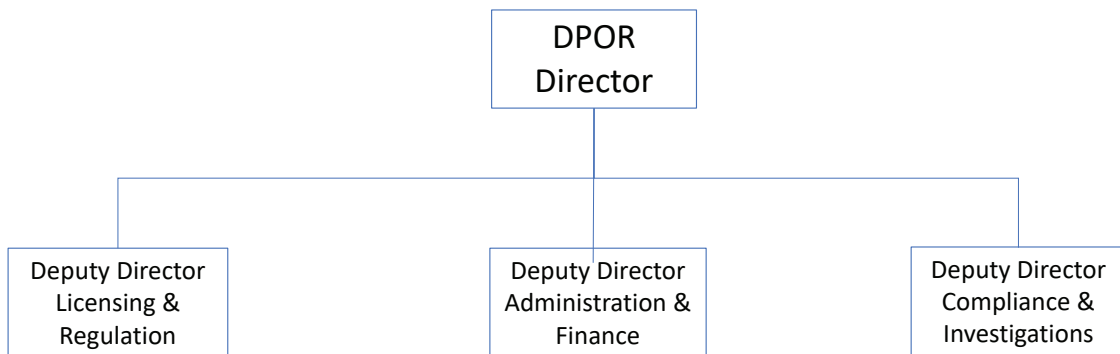
Section	Vacancies	Title
Compliance and Investigations	1	Deputy Director
CIC Ombudsman Office	1	CIC Administrative Support Specialist
Complaint Analysis and Resolution	3	Legal Analyst Intake Analyst Investigations Analyst
Adjudication	5	Director of Adjudication Adjudication Specialist (4)
Field Investigations	6	Field Supervisor Investigator (5)
Communications and Board Operations	2	Deputy Director Regulatory Affairs Manager
Contractors	1 5 wage	Licensing Supervisor Information Distribution and Filing Specialist Licensing Specialist (4)
Real Estate	2 1 wage	Board Administrator Licensing Specialist
APELSCIDLA	1 wage	Licensing Specialist
BCHOP	1 1 wage	Board Administrator Licensing Specialist
CWA	1	Licensing Specialist
Post Adjudication and Licensing	2	Post Adjudication & Licensing Specialist (2)
Information Technology	2 wage 2 wage	Information Technology Director Senior Program Analyst IT Consultant Expert IT Programmer
Human Resources	3 1 wage	Assistant Human Resources Director Human Resources Analyst Receptionist
Budget & Financial Services	2	Fee Processing Specialist
Administrative Services	1	Administrative Support Specialist
Total Positions	42	

APPENDIX F: ORGANIZATION CHARTS CONSIDERED

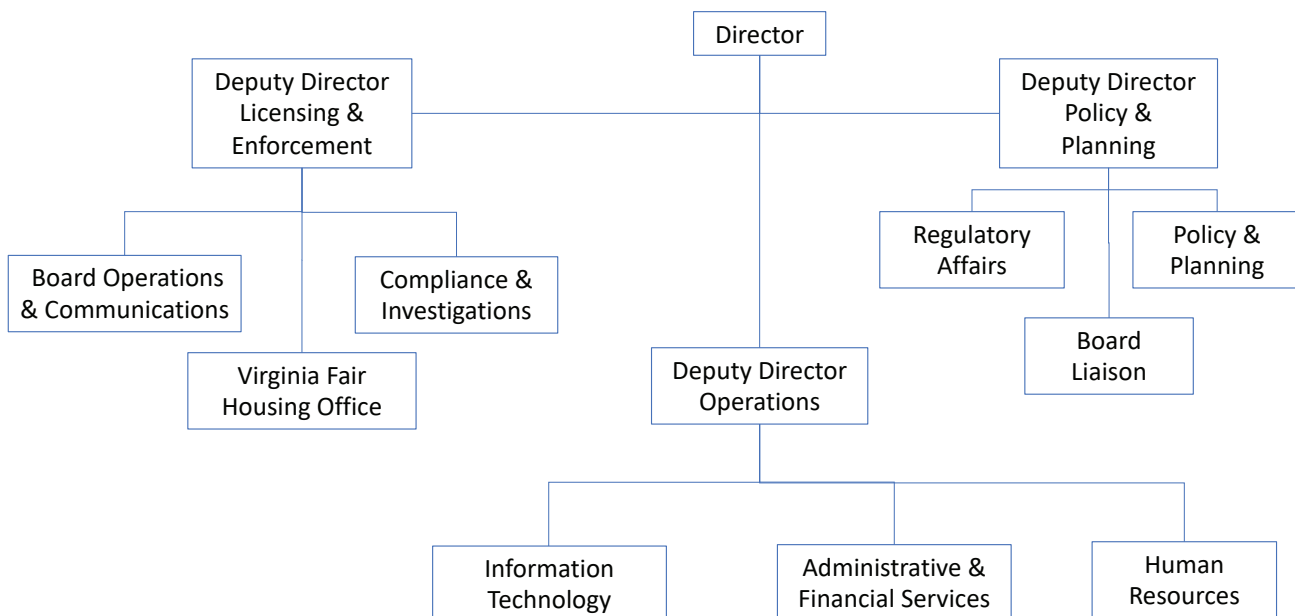
2 Deputy Director Model



3 Deputy Director Model (2012)



Recommended 3 Deputy Director Model (2019)



APPENDIX G: COMPARISON OF STATE ONLINE LICENSE PROCESSES

Virginia

For examination of the accessibility of the Virginia Department of Professional and Occupational Regulation website, the test case was as a tattoo artist seeking licensing information. Because the occupations are clearly separated, it was easy to figure out exactly what is required for each of the licenses. For instance, under the tattooing category, there are a variety of links to forms that should be filled out based on various factors (limited-time application, apprenticeship, etc.). On the DPOR website, there are direct links to each of the required elements making the information very accessible and easy to find.

North Carolina

To evaluate the North Carolina Secretary of State page, the test case was a psychologist looking for the information to obtain a license. Like the DPOR page, it is also organized based on the different departments. The North Carolina Psychology Board presents information about the laws, procedures, and guidelines for obtaining the license. While very descriptive in what is required, it is not as accessible as the DPOR website which has direct links to the various forms/applications required to obtain a license. The North Carolina page simply lists them (no links) and is less centralized making it more challenging for someone to find all the required forms.

Pennsylvania

Pennsylvania's Department of State website has a specific program/website for license renewal/information called Pennsylvania Licensing System (PALS). From here, the user can create an account to utilize PALS as well as access their application specific profession checklist. The user can select the information of for the type of license they desire through a drop-down menu. Once the license type is selected, the user sees the required forms/information needed to apply for a license. Like North Carolina, there are no direct links attached to the application checklist. It is possible access to this information may only be permitted for users with a member account.

APPENDIX H: ADDITIONAL SOURCES REVIEWED

The Knee Center for the Study of Occupational Regulation (CSOR) is an academic research center within the Shields School of Business at Saint Francis University.

<https://csorsfu.com>

Occupational Licensing Consortium of The National Center for State Legislatures

<http://www.ncsl.org/>

Select state agencies regulating occupational professionals but not healthcare	
Virginia	<ul style="list-style-type: none"> • Managed by DPOR under the Secretary of Trade and Commerce • 18 regulatory boards • www.dpor.virginia.gov
New York	<ul style="list-style-type: none"> • Managed by Division of Licensing Services (DLS) under the Department of State • 22 regulatory boards (approximation - not sure if real estate is 1 or 3) • http://www.dos.ny.gov/licensing/
Maryland	<ul style="list-style-type: none"> • Managed by the Division of Occupational and Professional Licensing of the Department of Labor • 26 regulatory boards • www.dllr.state.md.us
Tennessee	<ul style="list-style-type: none"> • Managed by the Department of Commerce and Insurance • 29 regulatory boards (“includes monitoring Managed Care Companies”) • https://www.tn.gov/commerce/licensing-regulations.html

Select state agencies regulating both healthcare and occupational professionals under the same agency	
California	<ul style="list-style-type: none"> • Managed by Department of Consumer Affairs • 39 licensing boards • http://www.dca.ca.gov/
Pennsylvania	<ul style="list-style-type: none"> • Managed by the Bureau of Professional and Occupational Affairs under the Department of State • 29 licensing boards • http://www.dos.pa.gov/ProfessionalLicensing/Pages/default.aspx
Delaware	<ul style="list-style-type: none"> • Managed by the Division of Professional Regulation under the Department of State • 38 regulatory boards • dpr.delaware.gov/
Illinois	<ul style="list-style-type: none"> • Managed by the Division of Professional Regulation of the Department of Financial and Professional Regulation • 45 regulatory boards • www.idfpr.com
North Carolina	<ul style="list-style-type: none"> • Managed by the Department of State • 20 regulatory boards • https://www.sosnc.gov/divisions/licensing_boards

Colorado	<ul style="list-style-type: none">• https://www.colorado.gov/pacific/dora/node/96181
New Jersey	<ul style="list-style-type: none">• Managed by the Department of Consumer Affairs• 49 regulatory boards• https://www.njconsumeraffairs.gov/regulated/Pages/default.aspx
North Dakota	<ul style="list-style-type: none">• https://www.nd.gov/businessreg/license/index.html