



COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation

Glenn A. Youngkin
Governor

G. Bryan Slater
Secretary of Labor

Brian P. Wolford
Director

Transmittal Letter

To: Department of Legislative Automated Systems, General Assembly

From: Virginia Department of Professional and Occupational Regulation

Date: November 1, 2024

The Department of Professional and Occupational Regulation submits the 2024 Biennial Report along with this letter. See below for full details and statutory mandate for the creation and content of the report.

Title: 2024 Biennial Report: Virginia Department of Professional and Occupational Regulation

Mandate: Code of Virginia § 54.1-114

Contact: Brian Wolford, DPOR Director
brian.wolford@dpor.virginia.gov
(804) 845-2483

If you have any questions regarding this report, please contact Director Brian Wolford (see above).

Enclosure: “2024 Biennial Report: Virginia Department of Professional and Occupational Regulation”

Biennial Report

FY 2022-23

FY 2023-24



A report to the Governor and General Assembly of Virginia
in accordance with Code of Virginia § 54.1-114.

November 1, 2024

Contents

Biennial Summary 3

Organizational Overview 4

Licensure, Certification, & Registration Services 8

Compliance & Investigations 10

Legislative Activity 12

Executive Directive One: Regulatory Reforms 14

Board Statistics 16



Biennial Summary

Ensuring the effective delivery of DPOR's mission-critical functions, **license issuance** and **complaint resolution** has been a primary focus in the FY 2023-2024 biennium.

Over the course of the biennium, DPOR substantially improved its application processing time. At the beginning of 2022, the average application processing time was 33 business days. By the end of FY 2024, DPOR's average application processing time was 4.8 business days.

Likewise, in the same timeframe, the number of days for intake to complete an initial review of complaint files fell from 35 to 7, and the number of days for investigations to complete an investigation fell from 110 to 90.

In order to make services more accessible, DPOR translated 20 Contractor examinations into Spanish and launched remote proctoring examinations for Contractor applicants. DPOR has made Korean, Vietnamese, Mandarin, French, and Spanish translations available for its 23 most used documents to benefit applicants, licensees, and the public.

A major investment in staff time and funding over the past biennium, DPOR's new EPICx (Efficient Processing Intuitive Customer Experience) Licensing and Enforcement system is expected to lay the foundation for the digital transformation journey that has been pending for over a decade. Secure, user-friendly online services are essential to meeting citizen expectations, improving customer service, and reducing regulatory burden on licensees.

This transition will convert internal paper and PDF licensing applications and forms to online application, thereby eliminating the cost and delay associated with paper application and record processing.

In an effort to reduce unnecessary burden on licensees, DPOR's boards are conducting line-by-line reviews of all 33 chapters of regulation, with the goal of reducing regulations by 25%. By the end of FY 2024, all 33 chapters had completed their NOIRA stage and DPOR was heading towards a 13% reduction before calculating economic savings.

With the understanding that DPOR's mission-critical functions are directly tied to maintaining adequate staffing levels, human resources continues to actively recruit and fill vacancies. In addition to conventional methods, job openings are now posted and advertised on multiple social media platforms. Agency vacancies fell from 42 at the beginning of 2022 to 31 at the close of FY 2024.

Representing a significant reduction in regulatory burden, Universal License Recognition was implemented in July 2023. More than 600 professionals and businesses have transferred their licenses into Virginia to date, with an earning potential of \$185 million. Among the most transferred professional credentials were those of tradesmen, real estate professionals, and cosmetologists.

Divisions & Organizational Structure

Core Mission Functions

Licensing & Regulatory Programs

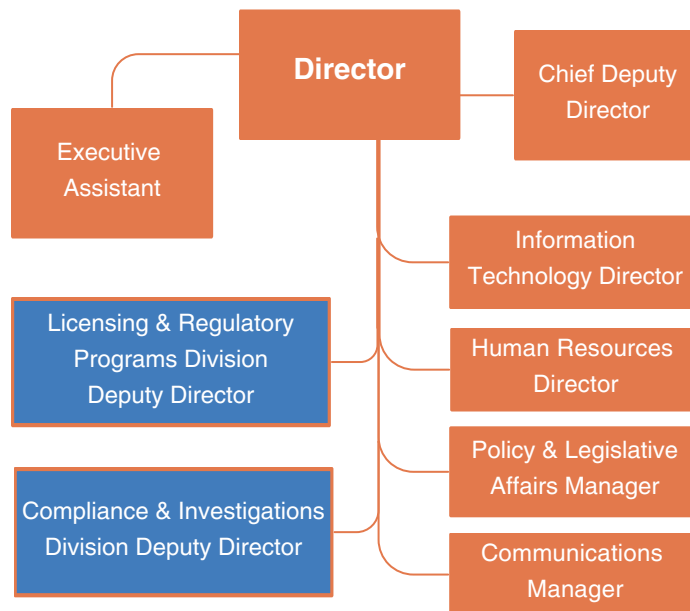
Division staff serves more than 324,000 individuals and businesses across several hundred license types, ranging from architects and contractors to cosmetologists and professional wrestlers.

Applicants seeking licensure or certification in regulated professions must meet entry qualifications set by their board.

Compliance and Investigations Division

staff review consumer complaints against licensees to determine whether DPOR has jurisdiction to investigate the issues raised in the complaint.

DPOR only processes complaints against individuals or businesses that are subject to the laws or regulations of its regulatory boards.



Support Divisions

Administrative and Financial Services is responsible for accounting, budgeting, procurement, and other operational needs of the agency and its boards.

Information Technology is responsible for the deployment and support of all current technology as well as planning for future strategic technology initiatives.

Human Resources is responsible for benefits administration, recruiting, hiring and retaining talent, performance management, employee engagement, and other internal workforce development.

The Virginia Fair Housing Office is responsible for investigating housing discrimination complaints. Federal and state fair housing laws protect people from discrimination when trying to rent an apartment, buy a house, obtain a mortgage, or purchase homeowner's insurance.

The Virginia Contractor Transaction Recovery Fund provides relief to eligible consumers who have incurred losses through the improper or dishonest conduct of a licensed residential contractor. The Recovery Fund is supported entirely by assessments paid by licensed contractors, not by any tax revenues.

The Real Estate Recovery Fund provides relief to eligible consumers who have incurred losses through the improper or dishonest conduct of a licensed real estate salesperson, broker, or firm. The Recovery Fund is supported entirely by assessments paid by licensees, not by any tax revenues.

The Common Interest Community Recovery Fund provides a mechanism for a receiver who has been appointed by a court as a result of defalcation of an association by its common interest community manager to recover an award of reasonable fees, costs, and expenses. The Recovery Fund is supported by assessments paid by licensees and registered associations.

The Common Interest Community Ombudsman offers assistance and information to association members regarding the rights and processes available to them through their respective condominium, cooperative, or property owners' associations.

Our Mission

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.

Our Vision

The Department of Professional and Occupational Regulation will be the Commonwealth's most effective agency, discovering creative ways to integrate regulatory efficiency with consumer protection via a commitment to exceptional customer service, efficient business processes, technological proficiency, and empowered employees.

What We Do

DPOR issues professional credentials—licenses, certificates and registrations—in the least intrusive, least burdensome, and most efficient way. We are charged with ensuring the minimum competency necessary to practice without harming the public, not enhancing professional stature or limiting competition by keeping newcomers out. Policy boards determine the minimum standards necessary to enter a profession and qualify applicants based on a combination of education, experience, and examination.

DPOR also enforces standards of professional conduct. The agency investigates reports of regulatory violations and seeks to obtain compliance with the law or, when necessary, to discipline the licensee. Regulatory board sanctions against licensees include fines, probationary terms, suspension, or license revocation.

Unlicensed activity—practicing a profession without a required state license—is a misdemeanor criminal violation. Regulatory boards do not have jurisdiction over unlicensed individuals. In cases involving allegations of unlicensed practice, DPOR attempts to obtain compliance with licensing requirements or works with local law enforcement to assist in bringing criminal charges. Ultimately, unlicensed activity is outside the boards' legal jurisdiction, and prosecution is at the discretion of local law enforcement officials.

Why We Do It

DPOR protects the public by verifying competency, investigating complaints, and upholding professional compliance with state laws and regulations. The agency strives to promote a positive business climate, ensure a competent workforce and provide exceptional customer service. As an executive branch agency under the Secretary of Labor, we support Virginia's economic vitality by helping qualified individuals start businesses and work in their chosen fields.

How We Do It

As a non-general fund agency, DPOR is financed solely by revenue collected through fees paid by licensees. Fees are adjusted periodically, as required by the "Callahan Act" (§ 54.1-113 of the Code of Virginia), to ensure revenues are sufficient to cover expenses, but not excessive.

Regulatory & Advisory Boards

DPOR currently regulates more than 324,000 individuals and businesses licensed under hundreds of license types through its 18 professional boards.

Members of these boards are appointed by the Governor, with the exception of the Board for Branch Pilots, whose members are appointed by the circuit courts in Hampton Roads, and DPOR’s advisory board members, who are appointed by the agency director.

- Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects
- Asbestos, Lead & Home Inspectors
- Auctioneers
- Barbers and Cosmetology
- Boxing, Martial Arts, and Professional Wrestling*
- Branch Pilots
- Cemetery
- Common Interest Community
- Contractors
- Fair Housing
- Hearing Aid Specialists and Opticians
- Polygraph Examiners*
- Real Estate
- Real Estate Appraisers
- Professional Soil Scientists, Wetland Professionals, and Geologists
- Waste Management Facility Operators
- Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals

**Advisory Boards*

Board Activity by the Numbers



171,000
Renewals & Reinstatements



400,000
Telephone and Email Interactions



63,502
Applications



214,487
Online Service Actions



126
Regulatory Actions Open to Public Comment



523
Contractors Who Attended Classes



187
Appointed Board Members



15
Policy Boards



2
Advisory Boards



1
Agency Oversight Board

Financial Insight & Reserve Fund Spend-Down

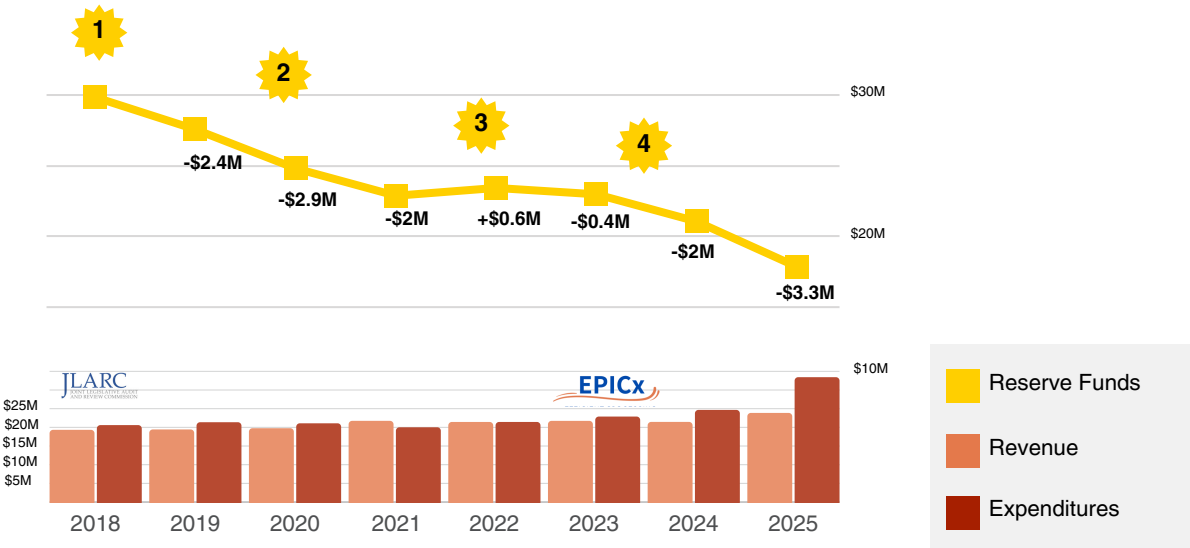
In 2019, the legislature directed DPOR to place its overall fund balance in reserve, to offset future costs associated with organizational restructuring and replacement of the agency's information technology systems.

The directive stemmed from JLARC's 2018 recommendation that DPOR spend down its nearly \$30M cumulative fund balance across all boards.

As a non-general fund agency, DPOR is funded by license fees, not by any tax revenues. The fees charged to licensees are set in accordance with the Administrative Process Act's public participation and executive branch review requirements.

At the end of FY 2024, the reserve fund had been spent down by nearly half, with a balance of \$16.9M. The agency has invested in a new licensing and enforcement software system that will transform the agency's citizen service and operational capabilities. With continued investment in this project in addition to spending on operational needs, the agency is expected to exhaust the reserve fund in FY 2026.

Reserve Fund Spend Down



1 In 2018, JLARC recommended that DPOR spend down its nearly 30M cumulative fund balance across all boards.

3 Based on JLARC recommendation 31, DPOR reduced licensing fees for select boards to spend down reserves.

2 In line with JLARC recommendation 13, DPOR invests in licensing & enforcement system, initially MLO and then EPICx.

4 Hiring activity from 2022-24 reduces vacancies with the intent of reaching 95% of Maximum Employment Level.

Licensure, Certification, & Registration Services

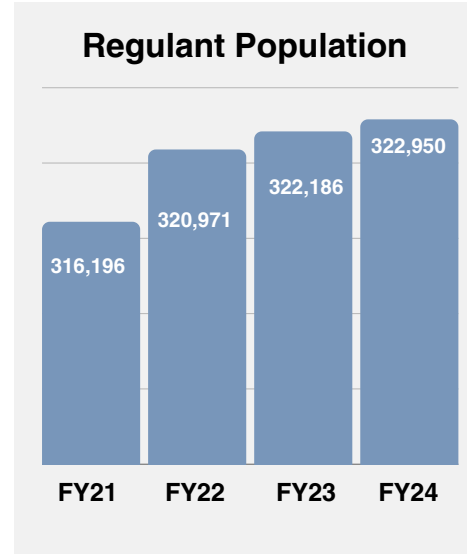
The licensure, certification, and registration service area maintains clear licensure requirements and standards, and issues licenses, certifications, and registrations for the authorized practice of regulated professions and occupations.

Given the various professions and occupations assigned to DPOR, a significant portion of the Commonwealth’s citizens are impacted by the department’s timely delivery of licensing services. DPOR processed more than 171,000 initial, renewal, and reinstatement applications and related payments during FY 2024. During the same time period, the licensing division handled over 400,000 telephone calls and email communications from the public.

Initial license applications reached 32,000 in FY 2024: the highest applicant volume since 2008. With a growth rate of 24% over the past 6 years, growth in applicant volume has exceeded Virginia’s population growth of 2.3% and Virginia’s GDP growth of 11% over the same period. The Department expects a slight increase in applications over the next two years barring an economic downturn.

Through Universal License Recognition, more than 600 professionals have transferred their licenses to the Commonwealth since the program went into effect in July 2023. The trades, cosmetology, and real estate represent the greatest share of license transfers.

In order to better serve the citizens of Virginia, DPOR has translated 20 Contractor examinations into Spanish. In addition, DPOR is implementing a streamlined customer service platform to launch in March of 2025, EPICx, which will feature new and more efficient licensing capabilities, including paperless application and renewal processes. Remote proctored examinations launched in June 2024 for the Board for Contractors. In the first week, 300 remote exams were administered, with an average of 900 remote exams per month since then. Remote exams will expand to the Real Estate Board and the Board for Waterworks & Wastewater Works Operators and Onsite Sewage System Professionals in calendar year 2024.



Universal License Recognition Transfers 7/1/2023-10/1/2024			
Tradesman	161	Onsite Sewage System Oper: Master	3
Cosmetologist License	101	Wastewater Works Operator II	3
Real Estate Individual: Broker	76	Waterworks Operator Class IV	2
Real Estate Individual: Salesperson	68	Waterworks Operator Class V	2
Onsite Sewage System Inst: Master	32	Wastewater Works Operator Class III	2
Home Inspector	17	Certified Accessibility Mechanic: Elev	2
Certified Professional Geologist	15	Individual Auctioneer License	2
Nail Technician License	14	Asbestos Project Monitor	2
Backflow Prevention Device Worker	14	Professional Soil Scientists	2
Master Esthetician	12	Fair Housing Instructor	1
Wastewater Works Operator I	12	Cosmetologist Instructor	1
Waterworks Operator II	10	Permanent Cosmetic Tattooe	1
Hearing Aid Specialist	9	Onsite Soil Evaluator: Master	1
Interior Designer Certification	8	Onsite Sewage System Inst: Journeyman	1
Esthetician	7	Waterworks OperatorClass III	1
Barber Individual	7	Waterworks Operator Class VI	1
Optician	7	Wastewater Works Operator Class IV	1
Professional Wetland Delineator	4	Certified Well System Provider: Master	1
Tattooer	3	Certified Accessibility Mechanic: Access	1
Total ULR Transfers: 610			

Licensing Hearings

An Informal Fact-Finding Conference, or IFF, is a due process administrative proceeding to obtain further facts “on the record” about a specific matter. It is an opportunity for an applicant or licensee to present evidence and provide the board with information relating to their case. If the IFF is required due to an applicant’s criminal conviction(s), the board will seek information relating to the nine factors described in § 54.1-204.B of the Code of Virginia to assist its deliberations about whether the criminal history is related to the profession and if a license should be issued.

Outcomes of IFFs and Board Determinations

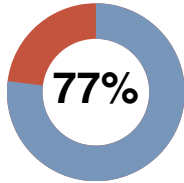
Less than one percent of all applications require additional review for criminal convictions, adverse financial or disciplinary history, or special consideration of education or experience qualifications. In accordance with the Virginia Administrative Process Act, those applications are referred to a Licensing Informal Fact-Finding (IFF) conference. Boards ultimately approved **74% of the 294** licensing application IFFs voted on this biennium.

Board for Contractors

16,268 Applications
107 Referred to IFF

2 Denied for Criminal History after IFF

*Denials primarily for prior disciplinary action or false information.



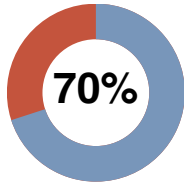
Approved After IFF

Board for Barbers and Cosmetology

14,422 Applications
56 Referred to IFF

3 Applications Denied for Criminal History after IFF

*Denials primarily for prior disciplinary action or false information.

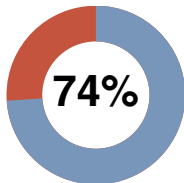


Approved After IFF

Real Estate Board

13,812 Applications
72 Referred to IFF

7 Denied for Criminal History after IFF



Approved After IFF

Compliance & Investigations

The Compliance and Investigations Division analyzes, investigates, and adjudicates complaints of violations of statutory and regulatory requirements including possible violations of fair housing laws that prohibit discriminatory practices against protected classes of individuals in residential housing.

In addition, the Division houses the Office of the Common Interest Community Ombudsman, which serves as an information resource for community association members and offers non-binding interpretations of laws and regulations governing associations.

Disciplinary Cases By The Numbers

285

Disciplinary IFFs

Due process administrative proceedings that give notice of potential disciplinary action and an opportunity to respond

468

Consent Orders

Voluntary, negotiated settlement agreements that bypass a disciplinary IFF and go directly to the board for ratification

364

Final Orders

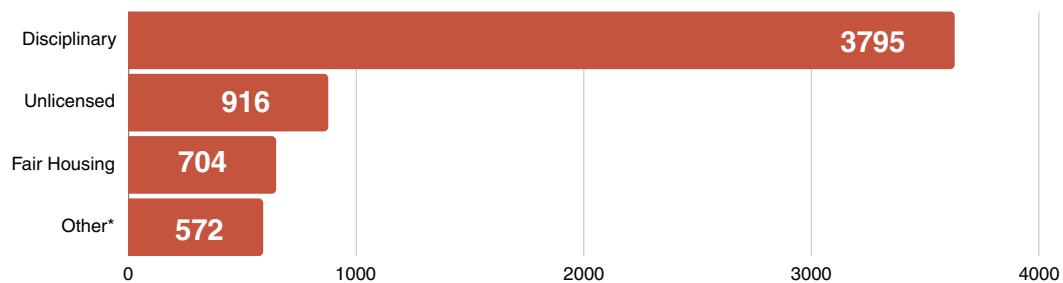
Board orders resulting from disciplinary Informal Fact Finding Conferences and prima facie case files

172

Prima Facie Cases

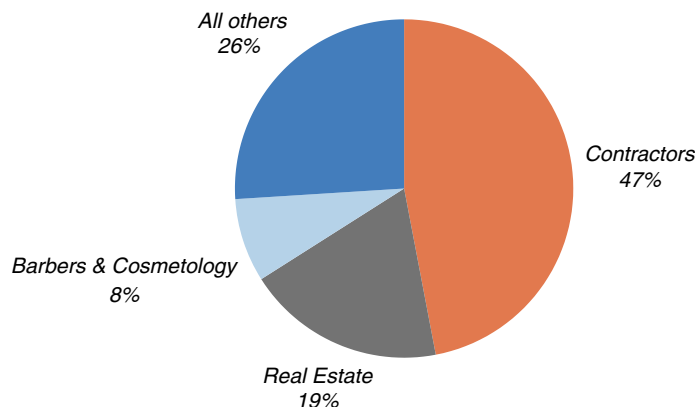
Heard by the board without the need for a disciplinary IFF if respondent agrees to waive the proceeding or does not respond to a notice

Complaint Summary



*Not all complaints received involve violations of laws or regulations under DPOR jurisdiction.

Disciplinary Complaints By Board



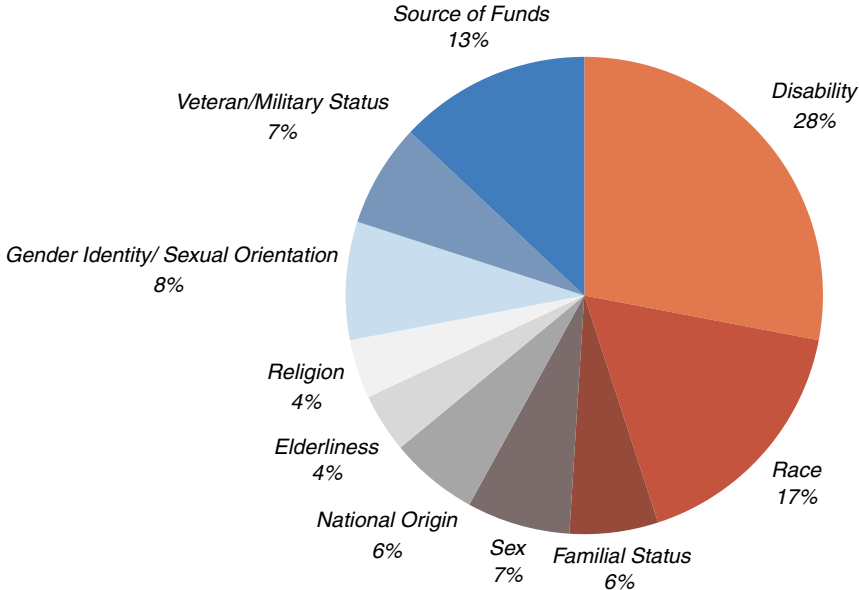
Fair Housing Complaints by Protected Class

Complaints Received

FY23: 356
 FY24: 348
 Total: 704

Total Monetary Relief

\$312,789.02 among 26 cases
 conciliated with monetary relief



Complaint Resolution

DPOR and its regulatory boards cannot require any individual or business to refund money, correct deficiencies, or provide other private remedies. Unlicensed activity is a misdemeanor criminal offense.

Civil or criminal court is often a consumer's only recourse for such private remedies. DPOR administers recovery funds for eligible consumers who are unable to collect on a judgment against contractor or real estate licensees who engaged in improper or dishonest conduct. We also work with local law enforcement and prosecutors to combat unlicensed activity and fraud.

Contractor Recovery Fund



136 Claim Payments
 \$851,813 in FY23
 \$896,544 in FY24

Real Estate Recovery Fund



3 Claim Payments
 \$20,000 in FY23
 \$24,471 in FY24

Unlicensed Activity

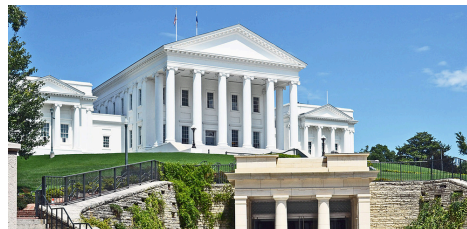


Court-Ordered Restitution
 in DPOR-Assisted
 Criminal Prosecutions

128 Criminal Warrants
 Obtained by DPOR

Legislative Activity

2023 General Assembly



Five bipartisan measures reducing regulatory burden and improving DPOR's operational efficiency were passed by the General Assembly and signed into law. The following became effective July 1, 2023, and DPOR has implemented required measures.

HB 2180 and SB 1213 established Universal License Recognition (ULR) criteria for an individual licensed, certified, or having work experience in another state to apply for licensure in Virginia. Under ULR, DPOR recognizes out-of-state licenses or certifications for professionals who have at least three years of experience in their field, maintain good standing in all states where they are licensed, have passed a competency exam, met training standards for their original state license, and have paid all applicable Virginia fees. Applicants from states that do not require licensure or certification for their profession or occupation may still qualify for ULR in Virginia if all other criteria and examination requirements are met. To date, more than 600 professionals and businesses transferred their licenses into Virginia, representing an earning potential of over \$185 million.

HB 1833 and SB 1279 clarify that licensure by the Board for Hearing Aid Specialists and Opticians is not required for selling prescription hearing aids. This was a modification to align a state statute with federal law that allows for over-the-counter hearing aids to be sold without a license while continuing to ensure state licensing laws protect the public in the purchase of prescription hearing aids.

HB 2179 and SB 1126 require DPOR's regulatory boards to send to any regulant subject to a disciplinary action notice in a manner that allows for confirmation of delivery. The bill removes the current requirement that such notice be sent by certified mail, return receipt requested, and retains the provision allowing delivery through electronic means, if agreed to by the parties. DPOR now has the authority to use commercial alternatives for mailings instead of relying solely USPS, resulting in significant time and cost savings.

HB 2284 removed from the membership of the Board for Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals a faculty member of a public institution of higher education in the Commonwealth whose principal field of teaching is management or operation of waterworks or wastewater works and adds to the Board's membership a local or regional representative of the Department of Health. The measure provides the board with more practical and specialized knowledge in policy making and contributes to improved interagency communication.

HB 1638 and SB 1060 allow DPOR and the Department of Health Professions to mail or email, upon request, records regarding applications for admission to examinations or for licensure, certification, registration, or permitting and the related scoring records to the individual to whom such records pertain. Previously, records were only made available during working hours for copying by the subject individual.



Legislative Activity

2024 General Assembly

Three bipartisan measures passed during the 2024 legislative session and signed into law reduce unnecessary regulation, enhance professional opportunity, and allow greater agency efficiency. The Licensing and Regulatory Programs Division has implemented the new legislation, which went into effect on July 1, 2024, ensuring all necessary measures were completed in a timely manner.

HB 1005 and SB 560 repealed the Lead Renovation, Repair, and Painting program. Enacted in 2009, the program tasked the Virginia Board for Asbestos, Lead, and Home Inspectors with implementing federal regulations, diverting resources and increasing bureaucratic hurdles for businesses and contractors. Previously, four administrations—both Democratic and Republican—declined to implement the Lead Renovation, Repair, and Painting program, citing concerns over its substantial economic impact on residents.

Since Virginia's Lead Renovation, Repair, and Painting program was never implemented, the Environmental Protection Agency continues to administer federal regulations in Virginia, ensuring that public safety standards are upheld. Data from the Centers for Disease Control and Prevention demonstrates that states where the EPA administers the program exhibit lower lead exposure rates in children compared to those with state-administered programs.

HB 350 made two key changes to the Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers, and Landscape Architects. Firstly, it reduced the quorum requirement for the number of engineers, architects, and land surveyors needed at regularly scheduled board meetings. Secondly, it eliminated the mandate that licenses must be signed by at least four members of the board. These adjustments enhance the efficiency of the board's operations, enabling it to better serve Virginia residents.

HB 1182 addressed certification requirements for Virginia's voluntary Professional Wetland Delineator Certification to align with the Universal License Recognition statute. Building upon the success of the ULR program, implemented in the summer of 2023, which has already resulted in more than 600 license transfers across DPOR professions, these changes reduce barriers to entry while maintaining standards for wetlands professionals.

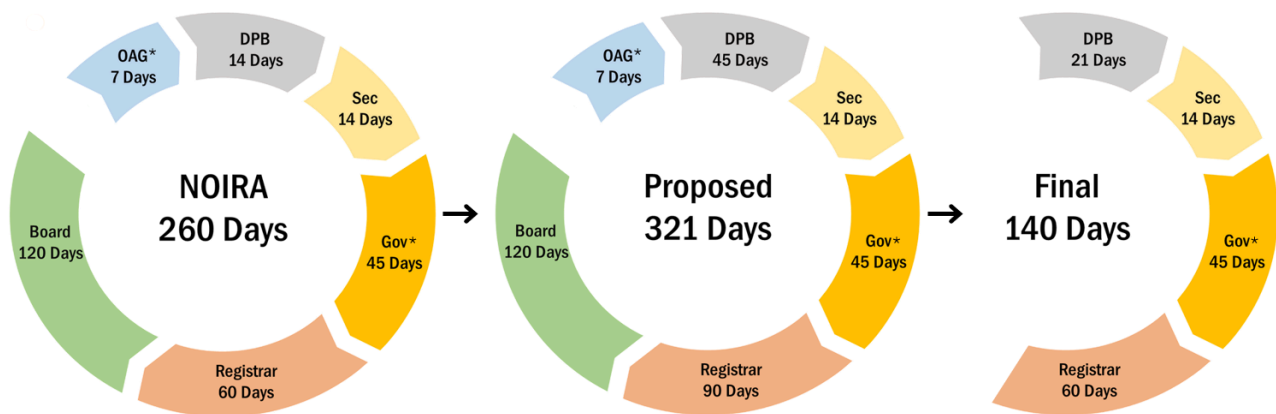
Executive Directive One: Regulatory Reforms

DPOR Boards are actively engaged in a comprehensive, targeted line-by-line review of regulations. The regulatory review process is uniformly being applied to reduce demonstrable regulatory burdens impacting businesses and individuals.

Focused Review Process

- What is the intended purpose of the regulation?
- Who does the regulation ultimately protect?
 - Does the regulation protect the health, safety, or welfare of the public from a recognizable harm, and not remote or dependent upon tenuous argument?
 - Is there a less restrictive way to accomplish this protection?
- Is the regulation still relevant and necessary?

All regulatory changes are made in accordance with the Virginia Administrative Process Act and undergo a standard three-stage process of executive branch review as well as designated opportunities for public comment. These stages include Notice of Intended Regulatory Action, Proposed, and Final stages.



*No Statutory Deadline

Transparency to the public and input from all interested stakeholders are of utmost importance throughout the regulatory review process.

DPOR catalogued over 18,000 unique regulatory requirements and anticipates reducing the discretionary (non-statutory) requirements on regulants by 25%. Current cuts expected to take effect in FY 2025 include:

- Reducing cosmetology training hours by 33%, resulting in anticipated savings and increased earnings of \$3.3 million per year (effective September 1, 2024).
- Amending Contractor licensee eligibility requirements resulting in increased regulant earning potential of \$14 million per year.



Clockwise from Top: •Governor Glenn Youngkin visits DPOR to recognize the accomplishments of staff and receive a briefing on agency initiatives. •Agency leadership and representatives from the UK Department for Business and Trade in the U.S. meet to discuss a Mutual Recognition Agreement regarding professional engineer qualifications. •Secretary of Labor G. Bryan Slater and Virginia Works Commissioner Nicole Overley speak with participants at the Board Member Training Conference. •DPOR staff come together to celebrate Public Service Week.

Board Statistics FY23-FY24

REGULATORY BOARD	REVENUES	EXPENDITURES	PUBLIC MEETINGS	EXAMINATIONS ADMINISTERED	COMPLAINTS RECEIVED	REGULANT POPULATION (AS OF 6/30/24)
Architects, Professional Engineers, Land Surveyors, Certified Interior Designers & Landscape Architects	\$3,696,768	\$4,465,717	26	4,586	112	46,527
Asbestos, Lead & Home Inspectors	\$550,488	\$633,678	19	249	73	5,617
Athlete Agents	\$91,350	\$1,129	N/A	N/A	1	66
Auctioneers	\$72,420	\$114,804	7	83	24	1,195
Barbers & Cosmetology	\$8,442,185	\$9,066,659	27	24,358	437	76,715
Boxing, Martial Arts & Professional Wrestling	\$424,553	\$426,395	16	N/A	15	942
Branch Pilots	\$4,800	\$14,241	15	N/A	4	39
Cemetery	\$123,020	\$93,402	10	N/A	84	1,142
Common Interest Communities	\$601,175	\$1,677,502	21	N/A	564	7,669
Contractors	\$16,040,128	\$17,866,969	35	45,822	2,829	87,756
Fair Housing	\$65,625	\$54,610	12	N/A	699	2,149
Hearing Aid Specialists & Opticians	\$240,216	\$276,399	15	357	6	2,692
Polygraph Examiners	\$22,115	\$20,443	8	36	2	327
Professional Soil Scientists, Wetland Professionals & Geologists	\$97,950	\$140,103	12	150	1	1,117
Real Estate	\$9,153,694	\$11,541,119	47	42,405	886	78,424
Real Estate Appraisers	\$732,985	\$437,394	15	280	115	4,051
Waste Management Facility Operators	\$39,835	\$59,876	7	152	2	598
Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals	\$676,648	\$659,481	26	2,887	74	5,924
TOTAL	\$41,075,955	\$47,569,921	318	121,365	5,928	322,950