

## **2008 Innovations Awards Program APPLICATION**

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ID # (assigned by CSG): 08-M-10MI

**Please provide the following information, adding space as necessary:**

State: Michigan

Assign Program Category (applicant): Business/Commerce (Use list at end of application)

1. Program Name  
iCOLA/Onsite Licensing Pilot Program
2. Administering Agency  
MI Department of Labor & Economic Growth in partnership with MI Dept of Information Technology and PSI Exam Services LLC
3. Contact Person (Name and Title)  
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9. Please provide a two-sentence description of the program.

The Department of Labor & Economic Growth's Onsite Licensing program is a web based application process that currently allows cosmetologists, barbers and real estate professionals to complete their license application and to schedule an exam online. Upon successful completion of the exam, the licensee will walk out of one of five exam sites throughout the state with a license, ready to practice their profession and

begin earning a paycheck without the previous waiting period of 3 – 6 weeks to receive their license.

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2008 to be considered.

A pilot of the Onsite Licensing program for cosmetologists and barbers was launched in late 2006/early 2007. The full program for real estate professionals has been in operations since August 20, 2007. The remaining 27 occupations and professions regulated by the bureau will be migrated into the programs by then end of 2009.

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

The program was created as part of a larger initiative to streamline operations and to provide a greater variety of online services to Michigan licensees and to the public. During the course of identifying process improvements in the license application workflow, this new solution was proposed and a proof of concept developed. One of the primary objectives of the initiative was to reduce the amount of time from the initial point of contact through to the licensee being ready to work. The Online Licensing program helped to reinforce this objective.

12. Describe the specific activities and operations of the program in chronological order.

December 2006: Proof of concept achieved through a pre-pilot program using an existing web application. A limited population of cosmetology and barber license applicants were allowed to apply for their license online, then received their license at the test site the same day that they successful completed their licensing board exams.

January 2007 - August 2007: Process improvements were crafted during the development of a ongoing project to create a new web application that expanded the online services available to licensees that included license applications, address changes, license transfers, employer approvals of license transfers and license renewals. Up to that time the only available services on the web were license renewals and address changes.

November 2007: A silent launch of the real estate program was offered to the public in mid-November 2007. An official announcement was released with the program going public December 10, 2007.

February 2008: Auctioneers registrations were added to the program.

13. Why is the program a new and creative approach or method?

This program not only reduces the amount of time an applicant has to wait to begin working in his or her chosen profession, it reduces the number of points of contact during the application process. Prior to this program an applicant had to contact our testing contractor by telephone to schedule their exam. There was typically a 2 week waiting period before an exam date could be scheduled. Once the exam was successfully completed, applicants were then given a paper application that had to be

mailed to the licensing board office. The review time at the board office typically took anywhere from 2 – 6 weeks.

With the launch of this program a licensee can apply 24 hours a day, 7 days a week on our website. In most cases exam eligibility is transmitted to the exam vendor within 24 hours. The applicant can then contact the exam vendor by telephone or visit their website to schedule an exam. On the day of the exam, if the applicant successfully completes the exam, a license card will be issued and the applicant walks out of the exam center ready to work.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

This program used an existing software improvement project to implement the expanded web services. The project team is comprised of 3 analysts on the business side, a team of 4 programmers on the technical side, and a team of 3 – 4 programmers and analysts from the exam vendor. There were no initial start-up costs or purchases required. However the exam vendor did purchase new printers to produce the photo license cards.

15. What are the program's annual operational costs?

Annual Operating costs have not been determined yet, however we suspect that we will see a reduction in operating costs overall, given the automated nature of the new process. The cost reductions should increase as more professions are migrated into the new process.

16. How is the program funded?

This program was developed in-house, using existing service contracts and existing staff. It is funded within normal operational costs that are collected through licensing and regulation fees.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

No

18. What equipment, technology and software are used to operate and administer this program?

Back-end Oracle database and a public facing Java-based web application.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

We are not aware of any other states using this exact same model. The photo ID aspect of the program started as an idea for an enforcement tool, but the benefits of an applicant leaving the test site with license in hand, soon became apparent as a benefit

for the licensing side. As, was the ability to speed up the licensing application process.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

No

21. Has the program been fully implemented? If NO, what actions remain to be taken?

Four of 31 professions are operational in the program. Now that the concept has been proven and is successful, the remaining 27 professions will be migrated into the program during 2008 and early 2009. However, the program has issued onsite licenses to 1,310 individuals, enabling them to move directly into the workplace.

To market this new program the agency has been working with professional associations to help get the word out.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

The length of time from the point that the applicant submits an application online to the point at which they leave the exam site with their license has gone from approximately 3 weeks, to in a few cases as little as 3 days.

This program has also provided the internal benefit in that most applications will proceed through the entire process without any action on the part of the staff. It was designed to be entirely automated as much as possible with data being transmitted back and forth between systems which also achieves the benefit of ensuring the integrity of the data and reducing the occurrence of incorrect data through multiple data entry points.

The average application processing time is currently 26 days for the cosmetology, barber and real estate exams applications, with 60% processing in under 26 days and some going through in as little as 3 – 5 days. Of the applications received through the new program, approximately 80% are able to be processed without staff intervention. The processing time includes the review time at the board office, and the time it takes the applicant to pass the exam. Prior to this program the average processing time in the board offices alone was approximately 38 days and every application had to be manually processed by hand. That 38 day timeframe was after the applicant had been dealing with the examination vendor for an average of 28 days prior to submitting their paperwork to the board office.

23. How has the program grown and/or changed since its inception?

This program will continue to be a work in progress through 2009 when the last professions are migrated. We continue to modify and improve the program based on customer input and staff input.

The licensing solution developed for commercial licensee applicants has many of the same business validation rules used for licensing functions in other state departments. Accordingly, teacher licensing, agriculture licensing and, insurance and banking licensing functions could be migrated to this platform. An integration and migration study is currently in progress to leverage this solution into a state-wide enterprise solution.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

The program forced the application workflow to switch from back-end paperwork intensive process to a front-end web based process. This meant we had to re-educate not only the public, but the internal staff as well.

One of the biggest challenges faced in proving and implementing this program was to design a public facing interface that allows the applicant to fully understand and comprehend the new application process. Since this system is available 24X7, and one of our goals was to provide a greater level of customer self-service, it was imperative that the public facing interface could communicate the process and the requirements in a manner that was easy to understand, and adaptable to the varied application requirements across the different professions that will eventually be included in this program.