



e-Licensing Overview

Sunset Advisory Commission

State CIO Carolyn Parnell

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e-Licensing

- Enterprise e-Licensing is a statewide online licensing system or “one-stop shop” for businesses and citizens to obtain and manage licenses in a simple, easy to use process through a single point of entry.
- Streamlines licensing business to focus on citizen needs

Beginning State – 2008 Statistics

- Number of licenses types: 600
- Independent licensing systems: 60
- State agencies and boards: 40 plus
- Volume: 800,000 occupational/professional licenses and 300,000 commercial/business licenses
- Full time FTE supporting those licenses types and systems: 800
- Annual expense: \$60+million
- Annual revenue: approximately \$165M



Background

- 2005: Governor Pawlenty Executive Order setting e-Licensing as a priority
- 2007: Legislation approved and appropriation made to conduct pilot
- 2009: Legislation approved to fully implement the initiative with surcharge

Benefits for Citizens

- **Access:** 24 hours a day, 7 days a week.
- **Simplicity:** One-stop shop for all licensing and business needs.
- **Security:** Protection of citizen data and secure identity management.



Benefits for Agencies

- **Efficiency and effectiveness:** Business redesign using lean principles and enhanced online capabilities improves licensing processes.
- **Reporting:** Advanced features allow more reporting, and business data analysis.
- **Maintenance:** Less effort on maintenance of individual systems and processes. Agencies maintain control of data and license processing.



Benefits for the State

- **Value of Investment:** Investment dollars and ongoing costs are minimized through pooled resources and a single, online gateway system.
- **Quality and Security:** A high quality, secure licensing service with performance metrics.



Timeline and Measuring Success

- Migrations of license types in scope should be complete to the central state environment by 2015.
- This date highly dependent on agencies prioritizing work required for the migrations to complete accordingly.
- Success is measured against the following variables:
 - One portal
 - Fewer systems
 - Lower cost of ownership
 - Leaner licensing processes
 - Happier customers



Migration schedule:

Agency	Approx. Annual Volume	# of Types of Licenses	# of Licenses	FY10	FY11	FY12	FY13	FY14	FY15	Phase III
Accountancy	6,000	9	15,704							
AELSAGD	18,694	11	20,189							
Agriculture	24,188	32	24,444				Gateway Environmental Worksheet			
Commerce	244,701	64	316,329							
Education	23,610	3	55,727							
Health	89,208	68	87,686							
Human Services	17,000	24	24,300							
Labor & Industry	62,492	77	124,984							
Public Safety	21,406	38	12,625			Alcohol/Gambling/etc	Firefighters			
Health Boards										
1. Cosmetology	14,806	13	40,151							
1. Barbers	3,315	6	3,315							
1. Pharmacy#	17,000	10	21,787							
1. Dentistry#	19,000	12	16,479							
1. Psychology	2,000	5	3,580							
2. Nursing Home Administrator	900	1	850							
2. Marriage and Family Practice	2,150	2	1,542							
2. Dietetics and Nutrition	1,271	11	1,260							
2. Optometry	1,240	1	1,200							
2. Physical Therapy	5,430	2	5,300							
2. Podiatric Medicine	141	3	264							
2. Social work	5,715	5	10,576							
2. Veterinary Medicine	1,650	4	3,425							
3. Behavioral Health & Therapy	2,182	3	2,869							
3. Chiropractic Examiners	4,243	2	4,236							
3. Medical Practice	24,050	8	24,953							
4. Nursing	60,932	9	166,948							

Statutory authority

- Minnesota Statutes Section 16E.055 requires state agencies to use the OET's "single entry site" for "electronic government services" related to "fees, licenses, sales, or other purposes."
- Minnesota Statutes Section 16E.20 and 45.24 establish the surcharge for funding the completion of the e-Licensing system across the executive branch agencies, as well as operation and maintenance during the surcharge time period.



What does the surcharge pay for?

- Integration of agencies' licenses by re-engineering and automating business processes and aggregating them with the online licensing portal that the public will access.
- State system operating and maintenance costs through completion of the development phase.
 - Hardware and software maintenance
 - Storage
 - Servers
 - Audit and security controls
 - Business support staff to ensure critical agency licensing functions are fully operational



Surcharge overview

- The surcharge is added to existing license fees
- The surcharge is temporary
- Only licenses to be migrated to the system will pay the surcharge
- Per the statute, each licensing agency collects a 10% surcharge (with a minimum of \$5 and a maximum of \$150) on each occupational and business license issued or renewed over a six-year period.
- The majority of licenses will be subject to a surcharge of \$5-\$30.

Surcharge overview, continued

- The statute allows the Health Boards to pay the surcharge out of existing license revenue, if available.
- The statute allows all agencies to pay the surcharge out of existing license revenue, if possible.
- The surcharge applies to initial license applications and license renewals
- Surcharge is valid from July 1, 2009 – June 30, 2015



Minnesota Electronic Licensing System Surcharge

(\$000)	<u>ACTUALS</u>		<u>AGENCY FORECASTS AS OF FY09</u>				
AGENCY	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>TOTAL</u>
HEALTH BOARDS							
Behavioral & Therapy Board	55	61	41	41	41	41	279
Chiropractors Board	58	59	55	55	55	55	337
Dentistry Board	119	116	115	115	115	115	697
Dietetics and Nutrition Practices Board	8	8	6	6	6	6	42
Marriage and Family Therapy Board	17	21	16	16	16	16	102
Medical Practice Board	432	525	414	414	414	414	2,612
Nursing Boards	540	542	477	477	502	477	3,015
Nursing Home Administrators Board	17	17	16	16	16	16	99
Optometry Board	11	11	11	11	11	11	64
Pharmacy Board	207	209	182	182	182	182	1,143
Physical Therapy Board	37	38	31	31	31	31	199
Podiatric Medicine Board	7	6	7	7	7	7	39
Psychology Board	100	106	96	96	96	96	590
Social Work Board	80	109	87	87	87	87	539
Veterinary Medicine Board	<u>25</u>	<u>25</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>159</u>
TOTAL HEALTH BOARDS	\$1,713	\$1,854	\$1,581	\$1,581	\$1,606	\$1,581	9,917



Questions?