Department of Professional & Occupational Regulation

Biennial Report 2020-2022

Delivering Results Today
Accelerating Opportunities for Tomorrow

About DPOR

DPOR oversees 18 regulatory boards in addition to the Board for Professional and Occupational Regulation.

Through its boards, DPOR regulates more than 300,000 individuals and businesses, and hundreds of license types.

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 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. We protect the public by verifying minimum competency, investigating complaints, and upholding professional compliance with state laws and regulations.

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.

Our Boards

Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects

Asbestos, Lead & Home Inspectors

Athlete Agents

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

Professional and Occupational Regulation

Real Estate

Real Estate Appraisers

Professional Soil Scientists, Wetland Professionals, and Geologists

Tradesmen

Waste Management Facility Operators

Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals

Board Activity

By the numbers

59,952 Applications	**264,368** Renewals + Reinstatements	**41,158** Name + Address Changes
210,393 Online Transactions	**37** Contractor Remedial Education Classes	**915** Contractors Who Attended Classes
41 Regulatory Actions With Public Comment Opportunities	**4** Public Hearings	**229** Volunteer Board Members
15 Regulatory Boards	**3** Advisory Boards	**1** Policy Boards

Executive Office

Demetrios "Mitch" Melis
DPOR Director

Appointed by the Governor, the Director is responsible for managing the daily operations of the agency while continuously positioning the organization to be adaptable and responsive to both internal and external priorities.

Kishore Thota
Chief Deputy Director

Appointed by the Governor, the Chief Deputy Director provides executive level support to the Director. The Chief Deputy also leads organization-wide innovation and transformation efforts to improve the agency's structure, performance, and technology.

Jennifer Sayegh
Policy and Legislative Affairs Manager

The Policy and Legislative Affairs Manager coordinates the agency's legislative affairs, assist with constituent services, and acts as a liaison to the office of the Secretary of the Commonwealth in managing DPOR's 185 board appointments.

Kerri O'Brien
Communications and Digital Media Manager

The Communications and Digital Media Manager is responsible for DPOR's external and internal communications. They support the mission of providing timely and accurate information to the public through both conventional and social media.

CORE MISSION FUNCTIONS

Stephen Kirschner/Deputy Director of Licensing & Regulatory Programs

Licensing

OUR 200 EMPLOYEES SERVE MORE THAN 300,000 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 CERTAIN ENTRY QUALIFICATIONS. DPOR AND ITS BOARDS ESTABLISH ENTRY REQUIREMENTS.

Tom Payne/Deputy Director of Compliance & Investigations

Compliance and Investigations

THE COMPLIANCE AND INVESTIGATIONS DIVISION REVIEWS CONSUMER REPORTS AGAINST LICENSEES TO DETERMINE WHETHER DPOR IS AUTHORIZED TO PROCESS 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

Responsible for accounting, budgeting, procurement and various other operational needs of the agency and its boards.

Information Technology

Responsible for the deployment and support of all current technology as well as planning for furture strategic technology initiatives.

Human Resources

Responsible for benefits administration, recruiting, hiring and retaining talent, performance management, employee engagement, and other internal workforce development.

Additional Programs

Office of the Common Interest Community Ombudsman

The Office of 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.

Virginia Fair Housing Office

The 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.

Contractor Recovery Fund

The Virginia Contractor Transaction Recovery Act 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.

Real Estate Recovery Fund

The Virginia Real Estate Transaction Recovery Act 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.

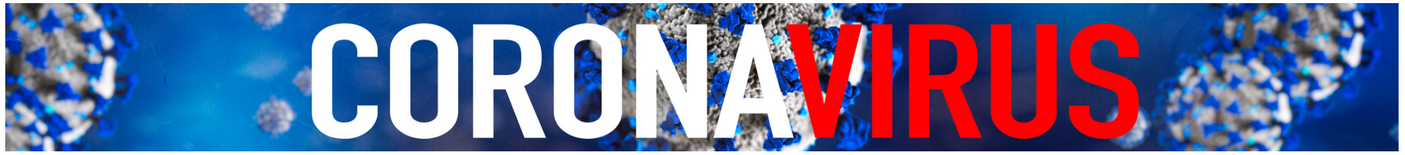
Common Interest Community Recovery Fund

The Common Interest Community Management 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.

DPOR's Biennial Summary

In 2018, the Joint Legislative Audit and Review Commission (JLARC) studied the operations and performance of the Department of Professional and Occupational Regulation (DPOR). The study included a review of the department's staffing and organization, its processing of occupational licenses, and enforcement of occupational rules. The final report included 36 recommendations for legislative and executive action. Subsequently in May 2019, DPOR engaged the Performance Management Group (PMG) of VCU's Wilder School of Government and Public Affairs to complete an organizational assessment of the agency.

While these assessments were conducted in the previous biennium, they remain a relevant roadmap and strategy to improve the organization and to better fulfill its mission of applying the least restrictive occupational licensing while adequately protecting the public. Current DPOR leadership has worked diligently to implement the assessments' recommendations.



Pandemic Response

On March 12, 2020, through Executive Order 51 Governor Ralph Northam declared a state of emergency in response to the COVID-19 pandemic. The order directed state government to render appropriate assistance to prepare for and mitigate the effects of the COVID-19 outbreak and in part, the measure authorized executive branch agency heads to waive state requirements and regulations on behalf of their regulatory boards with the concurrence of the respective cabinet secretary. DPOR continued providing services throughout the pandemic through the modification of business practices and implementing authorized emergency actions.

Notable Efforts :

- Maintained operations during lockdown periods.
- Converted its call center to a virtual call center and created a process for incoming mail to be digitized for remote license processing.
- Developed business processes that allowed most employees to telework.
- Waived license expiration dates for 15 months, ensuring those experiencing economic hardship could continue to work without the burden of license fees.
- Waived certain requirements allowing several professions to continue to practice during mandatory lockdowns with virtual rather than physical presence.
- Executed regulatory waivers allowing schools and training providers to remain open using online instruction methods.
- Modified public meetings to implement social distancing requirements and conducted over 25 virtual board meetings that allowed remote public access and participation.
- Expedited license reinstatements to ensure individuals would qualify for unemployment insurance.

DPOR's Biennial Summary

Pandemic Recovery

During the state of emergency, DPOR did see a slight drop in its licensure count. With the launch of the Rebuild! VA recovery fund, the agency contacted over 4,000 small businesses to announce the small business grant program. DPOR provided information about the available $10,000 grants. In 2021, licensure numbers began to tick up again and have continued an upward trajectory.

BPOR Advisory Board Study

In December of 2020, in response to a JLARC study recommendation, the Board for Professional and Occupational Regulation (BPOR) released its final report on the need for continued regulation of certain professions and occupations. The purpose of the report was to determine the appropriate level of regulation, if any, for currently licensed soil scientists, waste management facility operators, and landscape architects. In addition, BPOR evaluated the potential impacts of deregulation on currently certified common interest community manager employees, interior designers, backflow prevention device workers, and wetland delineators. BPOR came up with key findings and recommendations for each occupation. BPOR found some level of regulation was appropriate and the agency has continued to evaluate these findings.

2022 Initiating Transformation

In January 2022, after the inauguration of Governor Glenn Youngkin, public services and business began to return to normal as Virginia re-opened. On January 15, 2022 Governor Glenn Youngkin appointed Demetrios "Mitch" Melis Director of DPOR. DPOR immediately began taking steps to implement Governor Youngkin's initiatives to re-build Virginia's workforce, reduce regulatory burdens, improve customer service and ensure government meets the needs of the citizens it serves.

Organizational Restructuring

Focusing on Core Mission Services

- Created a separate division solely to oversee licensing and provide support to DPOR Boards
- Realigned IT Director position to report directly to the agency director
- Established three positions to focus on legislative, regulatory, and public affairs respectively

DPOR's Workforce

Change Starts with People

- Assembled a cross-functional "tiger team" to address critical staffing shortages
- Recruited and filled 30 previously vacant full-time positions in Q3 and Q4 of FY22
- Reduced recruiting time by 33%

Building a Culture of Excellence

Cultivating and Empowering Success

- Initiated employee engagement, recognition, and leadership programs
- Utilized cross-functional teams to foster collaboration and transcend silos
- Implemented agile project management and continuous process improvement methodologies

2022 Initiating Transformation Continued

Today, citizens expect government agencies to provide a modern technology-based and user-friendly experience rivaling the private sector. Through digital transformation, DPOR will improve the citizen and customer experience while also delivering transparency and predictability to government services.

Enterprise Technology Modernization

Empowering Possibilities

- Hired technology consulting firm to assess business needs and recommend technology solutions to replace legacy licensing system
- End-goal of providing fully digital citizen-centered licensing experience
- Emphasis will be placed on a rapid and iterative implementation and deployment to provide immediate value to customers

Office of Performance & Innovation (OPI)

A Catalyst for Continuous Improvement and Transformation

- Established a dedicated office to serve as a constant internal transformation resource
- OPI empowers employees to continuously improve the organization's performance and challenge the status quo

Internal Support Operations

Providing Excellence in Internal Service Delivery to Improve External Customer Service

- Emphasis placed on the importance of providing high quality internal support services to DPOR's external customer facing teams
- DPOR's executive management team meets weekly to ensure high quality internal service delivery from Human Resources, Administration and Financial Services, and Information Technology

Licensing

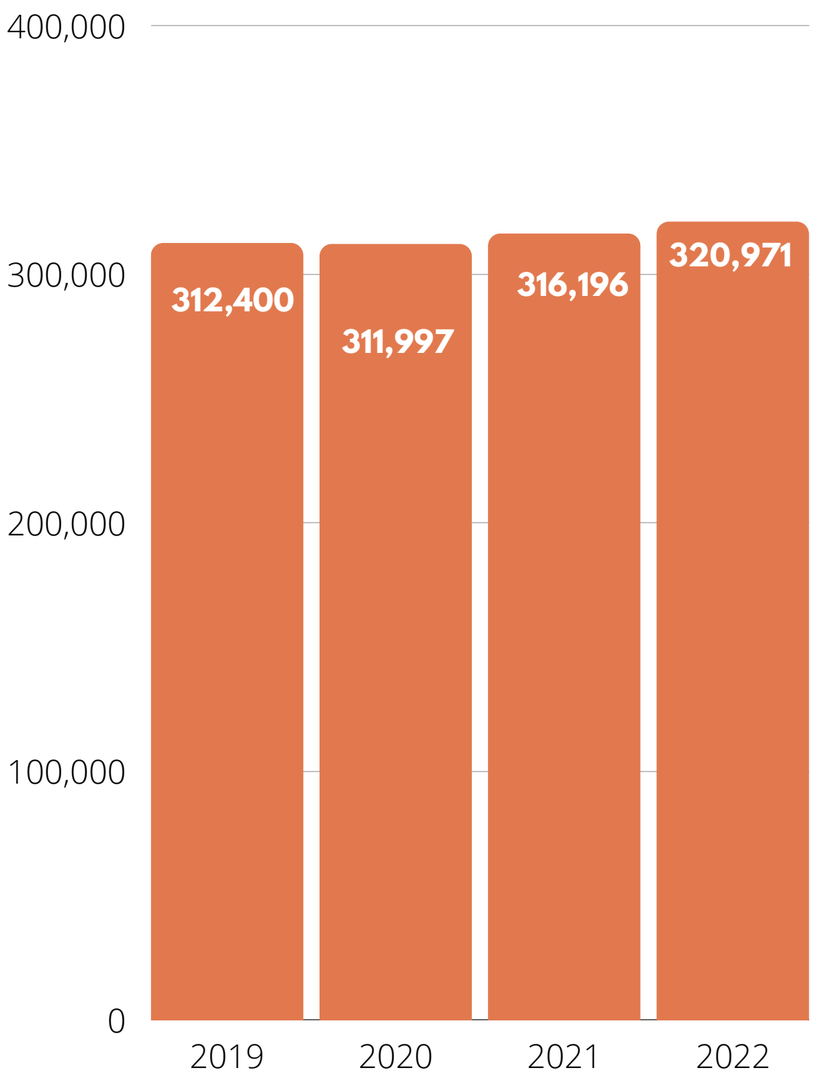
Working to issue licenses, certifications, registrations, and other authorizations to qualified individuals and businesses in an efficient manner.

Licensure Count

Total Regulant Population as of June 30, 2022

320,971

DPOR experienced a dip in licensure in 2020 during the height of the COVID Pandemic. In 2021 and 2022 the regulant count began to rebound. DPOR now continues to see growth in the number of licenses, certificates and registrations it issues.



Licensing Insight

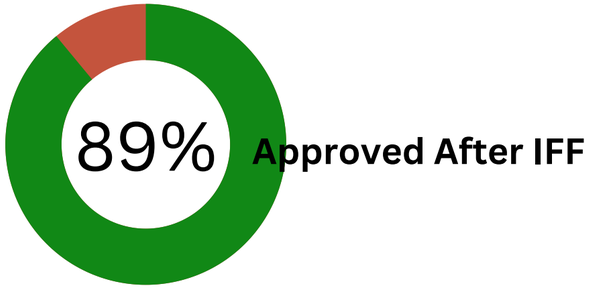
Outcomes of License Application Cases Requiring IFF + Board Determinations

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 81%** of all applications referred for a Licensing IFF this biennium.

Board for Contractors

14,707 Applications

89 Referred to IFF



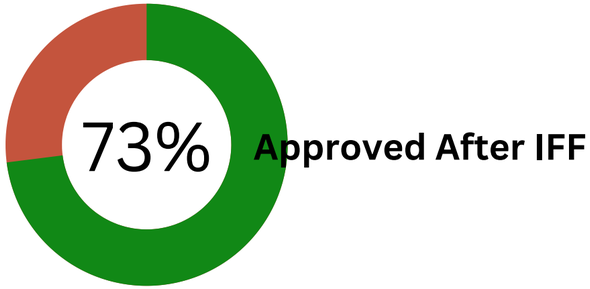
4 of 14,707 Applications (0.02%)
Denied for Criminal History After IFF

*Denials primarily for disciplinary action or false information on application

Real Estate Board

17,447 Applications

88 Referred to IFF



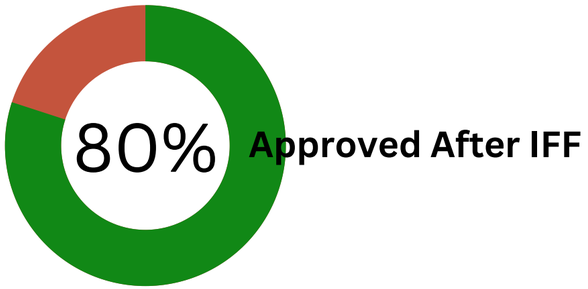
12 of 17,447 (0.07%)
Denied for Criminal History After IFF

*Denials primarily for experience waivers

Board for Barbers and Cosmetology

11,375 Applications

44 Referred to IFF



0 of 11,375 (0.0%) Applications
Denied for Criminal History After IFF

*Denials primarily for disciplinary action or false information on application

Licensing Hearings

An Informal Fact-Finding Conference 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 be seeking 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.

Compliance and Investigations

Working to enforce standards of professional conduct by investigating reports of regulatory violations, seeking compliance with legal requirements or disciplining the regulant.

Disciplinary Cases By The Numbers

296

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

434

Prima Facie Cases
Files forwarded directly to the board without the need for a disciplinary IFF, if respondent agrees to waive the proceeding or does not respond to the IFF Notice

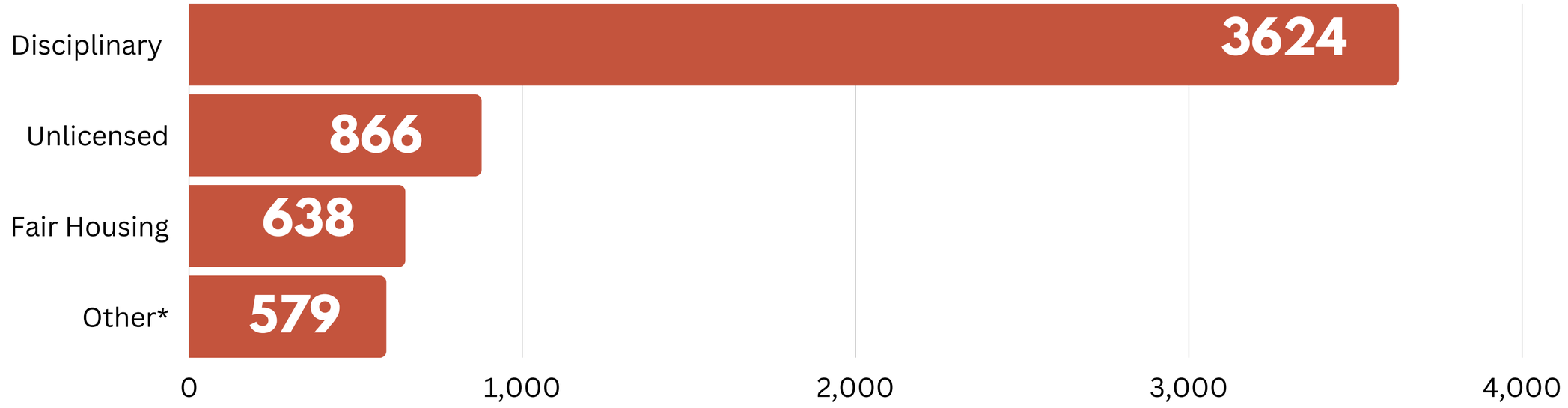
617

Final Orders
Board orders resulting from disciplinary IFFs and prima facie case files

843

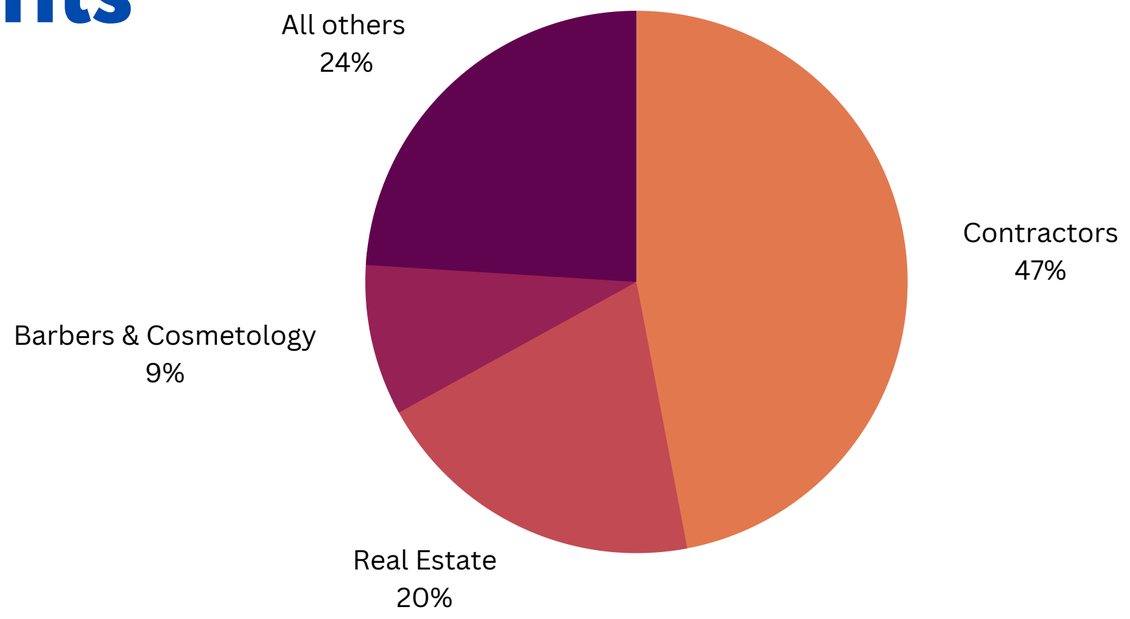
Consent Orders
Voluntary, negotiated settlement agreements that bypass a disciplinary IFF and go directly to the board for ratification

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

FY21: 257

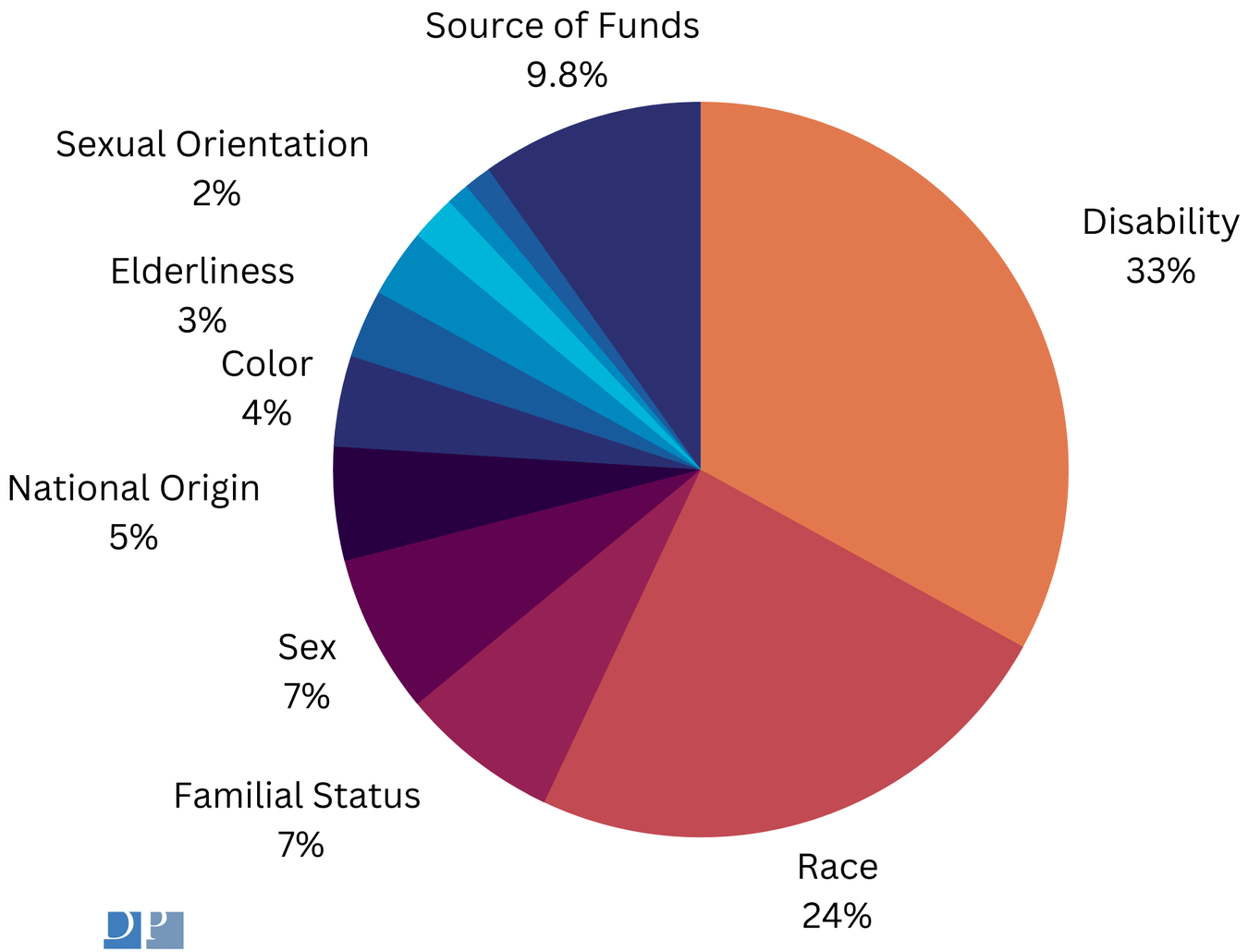
FY22: 361

Cases Settled With Monetary Relief

71

Monetary Relief To Complainants

$449,625.17



Complaint Resolutions

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

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

Contractor Recovery Fund

$938,400/FY 2021
$657,750 /FY 2022

$1.6 Million

104 Claim Payments
91 Prima Facie Cases
13 IFF Conferences

Real Estate Recovery Fund

$19,551

2 Claim Payments
0 Prima Facie Cases
2 IFF Conferences

Unlicensed Activity

Court-Ordered restitution in DPOR- Assisted Criminal Prosecutions

$335,100

209 Criminal Warrants Obtained by DPOR

Common Interest Community Recovery Fund

$239,467

1 Claim Payment

Executive Directive One: Regulatory Reform

Immediately upon assuming office in January 2022, Governor Glenn Youngkin issued Executive Directive Number One to reduce the regulatory burden on businesses and citizens across the Commonwealth. The order builds upon House Bill 883 which established a regulatory reduction pilot program with guideposts of 25 percent regulatory reductions across the Executive Branch. DPOR was one of two agencies selected to take part in the pilot program which concluded in 2021 and reached the reduction goal primarily through streamlining.

DPOR Boards are actively engaged in comprehensive and targeted line-by-line reviews 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, 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. Transparency to the public and input from all interested stakeholders are of utmost importance throughout the regulatory review process.

Legislative Activity and Updates

2021 Virginia General Assembly

Fair Housing Law

Senate Bill 1410, which expanded military service member housing protections, passed during the 2021 Session. The bill amended the Virginia Fair Housing Law to prohibit discrimination in the sale or rental of dwellings by any person or entity, and prohibit discrimination by “any person or other entity, including any lending institution, whose business includes engaging in residential real estate-related transactions.” The bill also provided that the term "residential real estate-related transaction" means any of the following: the making or purchasing of loans or providing other financial assistance (i) for purchasing, constructing, improving, repairing, or maintaining a dwelling or (ii) secured by residential real estate; or the selling, brokering, insuring, or appraising of residential real property.

Occupational Licensing Laws for Construction Trades

House Joint Resolutions 561 was introduced during the 2021 Session of the General Assembly. The legislation directed an evaluation of “the efficacy of the Commonwealth’s occupational licensing laws for construction trades.” DPOR convened the Trade Exploration Work Group, a committee comprised of representatives of multiple organizations from the construction industry. After assessing the regulatory framework and research findings against statutory criteria for occupational licensing, the Work Group adopted proposals that enjoy broad though not unanimous support.

Legislative Activity and Updates

2022 Virginia General Assembly

Notice of Final Adverse Decision; Audio and Video Recordings

During the 2022 Session of the General Assembly, the legislature passed Senate Bill 693 which directed the Common Interest Community Board to review the feasibility of allowing audio and video recordings to be submitted with a notice of final adverse decision as a record pertinent to the decision in accordance with 54.1-2354.4 of the Code of Virginia. The Board conducted a review with assistance from a committee comprised of common interest community attorneys, citizens residing in common interest communities, Board members, and the Common Interest Community Ombudsman. Based on the committee's findings and conclusion, the Board finds it would not be feasible to allow the submission of audio and video recordings with a notice of final adverse decision and is opposed to any legislative or regulatory changes allowing for it.

Standards for Structural Integrity and Reserves for Capital Components

In accordance with Chapter 421 of the 2022 Virginia Acts of Assembly (Senate Bill 740), DPOR established a work group for the purpose of discussing matters related to the study of the adequacy of current laws addressing standards for structural integrity and for maintaining reserves to repair, replace, or restore capital components in Common Interest Communities. The Structural Integrity and Reserves Work Group has held two of its five meetings planned in different regions of the Commonwealth. The meetings held in Richmond and Roanoke included presentations covering a variety of topics relevant to the issues being studied. The next three meetings are scheduled and will take place in Arlington, Newport News and Richmond within the next six months.

Financial Insight

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 reserve funds may also be applied to cover ongoing operational expenses of the Department and its boards.

$19 Million

Reserve Fund Balance

as of June 30, 2022

3.7%

In Cumulative Fund Balance

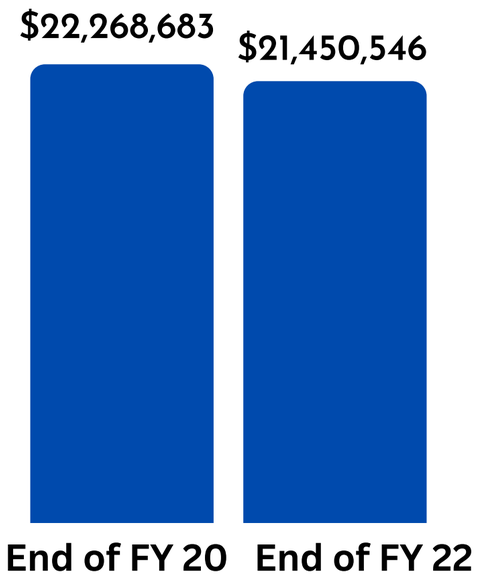
over biennium

- **The reserve fund addresses JLARC's recommendation to reduce the boards' cumulative fund balance.**
- **As a non-general fund agency, DPOR is funded by license fees, not by any tax revenues.**
- **Our fees are relatively low and affordable, and set in accordance with the Administrative Process Act's public participation and executive branch review requirements.**

$2.5 Million

Unencumbered Fund Balance

as of June 30, 2022



BOARD STATISTICS

REGULATORY BOARD	REVENUES	EXPENDITURES	PUBLIC MEETINGS	EXAMINATIONS ADMINISTERED	COMPLAINTS RECEIVED	REGULANT POPULATION (AS OF 6/30/22)
Architects, Professional Engineers, Land Surveyors, Certied Interior Designers & Landscape Architects	$3,604,762	$3,746,455	20	4,824	111	45,666
Asbestos, Lead & Home Inspectors	$581,219	$558,274	11	218	87	5,962
Athlete Agents	$74,600	$97	0	N/A	0	61
Auctioneers	$75,759	$103,934	4	85	27	1,245
Barbers & Cosmetology	$8,226,428	$7,823,996	19	18,555	500	74,659
Boxing, Martial Arts & Professional Wrestling	$179,513	$211,944	4	N/A	5	701
Branch Pilots	$5,040	$6,503	14	12	3	39
Cemetery	$95,140	$74,233	4	N/A	58	1,076
Common Interest Communities	$1,097,966	$1,554,962	10	N/A	535	7,823
Contractors	$15,892,251	$16,054,125	32	41,711	2,648	87,870
Fair Housing	$62,005	$62,005	7	N/A	635	2,069
Hearing Aid Specialists & Opticians	$226,725	$271,261	6	441	13	2,664
Polygraph Examiners	$24,760	$23,068	2	38	2	341
Professional Soil Scientists, Wetland Professionals & Geologists	$90,365	$114,623	3	129	1	1,190
Real Estate	$9,170,430	$9,862,264	37	30,750	884	78,980
Real Estate Appraisers	$602,857	$375,084	6	237	101	4,162
Waste Management Facility Operators	$39,150	$53,253	4	177	3	612
Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals	$610,719	$576,575	11	2,879	56	5,851
TOTALS	**$40,569,689**	**$41,472,646**	**194**	**100,056**	**5,674**	**320,971**

Milestones and Moments

Virginia Fair Housing 50th Anniversary

Virginia’s Fair Housing Office at the Department of Professional and Occupational Regulation celebrated its 50th anniversary. The office was created with the passage of Virginia's Fair Housing Law in 1972, just four years after the passage of the federal Fair Housing Act in 1968.

For half a century, Virginia's Fair Housing Office has worked to ensure that buyers, sellers, tenants, landlords and all citizens in the Commonwealth are educated about Virginia's Fair Housing Law.

The Virginia Fair Housing Office remains committed to working with private and public partners to identify housing barriers and provide equal opportunities for thousands of Virginians to live in affordable housing.

Board Member Training Conference

In October 2022, DPOR hosted over 130 board members, guests, and staff for a two-day training in Williamsburg. The event included a welcome from Secretary of the Commonwealth Kay Coles James and Deputy Secretary Anthony Reedy. Former Secretary of Commerce and Trade James Cheng delivered the keynote address.

Secretary of Labor George Slater, Department of Labor and Industry Commissioner Gary Pan, and DPOR Director Mitch Melis led a panel discussing workforce development. Other conference sessions included:

- New Board Member Forum
- Licensing Trends Roundtable Discussions
- Replacing Red Tape with Green Tape: Regulatory Reduction and Public Protection
- Robert’s Rules of Order
- Overview of Agency Structure and Complaint Process
- Panel Discussion with Experienced Board Members
- Overview of the Freedom of Information Act