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SOUTH CAROLINA DEPARTMENT OF LABOR, LICENSING AND REGULATIONS

SOUTH CAROLINA RESIDENTIAL HOME BUILDERS COMMISSION LICENSING DIVISION

WHAT IS THE BEST METHOD TO IMPROVE THE TURN AROUND TIME OF THE ANNUAL RENEWAL PROCESS?

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What is the best method to improve the turn around time of the Annual renewal process?

There is an opportunity to improve the processing time by examining the method in which we are currently using to annually renew licenses. The process needs to be reviewed due to staff reductions, and an increase in the number of individuals working in the industry of home building and repair. By reviewing the information required by applicants, we can determine if streamlining our process will decrease the number of incomplete or incorrect applications that have to be returned.

What are some sub problems that may exist and what we can do about them?

1) Are valid questions being asked? Yes, but possibly the questions can be asked in a different method to achieve the same results. Thus, cutting down on the return of applications due to being incomplete.

2) What is being notarized on the application? All applications have to be notarized at this time. Original applications have to be notarized, verifying the applicant’s signature. This yearly notarization has been the process for years and has never been closely reviewed. Each financial statement submitted must also be notarized. This holds the applicant responsible for any action taken against him/her by a homeowner for not performing duties required under the law.

3) Can we only require bonds? When I discussed this with the program coordinator, he stated that originally when the law for bonds came into effect only bonds would be accepted. Due to pressure from licensees in the industry that have been submitting a financial statement for years, it was determined
that financial statements would be accepted for these individual licensees. However, anyone new to the industry would be required to submit a bond. Consequently, we will have to deal with accepting both bonds and financial statements and deal with the problems that come with it.

4) Could we possibly audit financial statements? The time taken to make sure a financial statement is correct increases the processing time of our renewal applications. Since licensees that have always submitted a financial statement are allowed to do this, it should not constitute a tremendous increase in processing time. After current changes have been put into place, I will evaluate this option to see if the Board is willing to support it.

With the assumption addressed and support on what changes maybe allowable, the staff completed a checklist of the current renewal application used, and outlined where they felt the majority of the problems occurred in completing the application correctly. The three main issues the staff came up with were, (1) there was no notarized signature completed; (2) the applicant did not complete all questions; and (3) there was no bond information attached with the renewal.

I had staff pull a random sample of the renewals processed from last year to determine how long it took to process one, and for what reason(s) we had to return the application. Due to cut backs the staff pulled one hundred renewals that were processed without problems, seventy five renewals were pulled with problems. Using the Scatter Plot method (taken from Fundamentals of Fourth Generation Management) I discover for the most part, the data collected revealed that the staff had a good idea of what the problems were. Applications not being notarized or not signed by the applicant accounted
for 50% of the ones that had to be returned. No bond or financial statement information accounted for about 20%, and not answering questions, accounted for about 8%. A number of other reasons the applications were returned ranged from the applicant not choosing what classification they were working in, the wrong fee or no fee being attached, to sending in money with no application attached. (Addendum 1)

With the problems identified, I looked next at how long it took to process an application. I studied this data in two ways; the length of time it took an application to be processed which was sent back and forth in the mail due to being incomplete and how long it took to process once all the information was submitted correctly. If we had to return the application requesting additional information, it took an average of more than two weeks to process 75% of the applications, and more than three weeks to process over 60% of the applications. If an application was received in the office with all the information submitted correctly, over 90% were completed within a two week period, and 60% were completed within a week. (Addendum 2)

With the information collected and the challenge of reducing the number of applications returned for incomplete or inaccurate information, the staff now started on redesigning the application. We were able to re-work the application. Instead of having a yes/no question to answer, a statement was added requesting that information be attached if answering yes to a question. This should eliminate returning the application if the applicant fails to check yes or no; hopefully accounting for about 8% of our returns. We also were able to remove the notary requirement from the renewal application. This should account for about 40% of our returns.
With this process occurring annually we had only a short time to evaluate the collected data. Recommendations were made and approved. A new application was designed and submitted for bid. Though we were not able to accomplish all of the goals that I had intended, I do believe that a number of key changes were made to revise the annual renewal form to limit the number of applications returned. With this being accomplished, we should have fewer returned applications which should in turn, reduce the amount of time to process correct renewals, and also reduce the amount of time to process a renewal that has been returned.