

## Department of Planning and Budget

### 2006 Fiscal Impact Statement

**1. Bill Number:** HB1054

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed  
 Second House ☐ In Committee ☐ Substitute ☒ Enrolled

**2. Patron:** Reid

**3. Committee:** Passed both Houses

**4. Title:** Board for Architects, Professional Engineers, Land Surveyors, etc.;  
 continuing education

**5. Summary/Purpose:** The bill requires the Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects to promulgate regulations governing continuing education requirements for architects, professional engineers, and land surveyors. Such regulations shall require the completion of the equivalent of 16 hours per biennium of board-approved continuing education activities as a prerequisite to the renewal or reinstatement of a license issued to an architect, professional engineer, or land surveyor. The bill provides for waivers of this requirement in cases of certified illness or undue hardship.

**6. Fiscal impact estimates are:** Final.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2005-06	\$0	0.00	N/A
2006-07	\$0	0.00	NGF
2007-08	\$71,849	1.00	NGF
2008-09	\$56,122	1.00	NGF
2009-10	\$56,122	1.00	NGF
2010-11	\$56,122	1.00	NGF
2011-12	\$56,122	1.00	NGF

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2005-06	\$0	N/A
2006-07	\$0	NGF
2007-08	(\$118,800)	NGF
2008-09	(\$118,800)	NGF
2009-10	(\$118,800)	NGF
2010-11	(\$118,800)	NGF
2011-12	(\$118,800)	NGF

**7. Budget amendment necessary:** No, the appropriation may be adjusted through the budget amendment process for FY 2008.

- 8. Fiscal implications:** The bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by implementing a continuing education requirement for Architects, Professional Engineers, and Land Surveyors. Requirements include reviewing and approving the curriculum of training providers, auditing licensees to ensure compliance with continuing education requirements, and processing requests for exemptions and special circumstances. The board currently regulates 31,670 architects, engineers and surveyors who would be affected by this requirement.

Personal Service Costs: This legislation will require one classified band 3 position to review content, subject matter, and curriculum of courses offered by training providers that will fulfill the continuing education requirement, and to provide recommendations to the Board for approval; to conduct audits of licensee records to ensure continuing education requirements have been satisfied; to prepare documentation of non-compliance to support disciplinary action; to manage requests for exemptions or reduction in requirements from licensees with special circumstances; and to support the board in approvals, decisions, and informal fact findings. The cost of salary and benefits for this position, based on the mid-point of the band range, is expected to be \$48,234 in FY 2008 (assuming 23 pay periods) and \$51,622 in future years. These are recurring costs that will continue into future biennia.

Operating Costs: In FY 2008, DPOR will need to purchase furniture and equipment for the new position at an estimated cost of \$5,000. This is a one-time expenditure that will not continue into future years. Other operating costs beginning in FY 2008 include telephone, employee development, postage, printing, and supplies, and are estimated at \$4,500 each year. These are recurring costs that will continue into future years.

Board regulations will be revised to reflect the new requirements. Board member travel and per diem for four additional meetings will be \$4,115, and postage and printing costs for the new regulations will be \$10,000 in FY 2008 only.

Total costs are projected to be \$71,849 in FY 2008, and \$56,122 in future years.

Revenue: In accordance with the provisions of § 54.1-113 (Callahan Act) of the Code of Virginia, licensing fees are established at rates adequate to cover a program's operating costs and a proportionate share of agency support costs. The department expects a reduction in the number of individuals who choose to renew their license because of the continuing education requirement. Assuming that 10 percent of current licensees choose not to renew, the department will experience a reduction in revenue of approximately \$118,800 annually. The board's current cash balance and revenue are expected to be sufficient for the next two biennia to cover the increased costs and reduced revenue associated with this legislation.

Cost to Regulants: No additional cost to licensees is expected as a result of this legislation for the next two biennia. After that point, the board may need to increase fees to ensure revenue remains adequate to support continuing operating costs, with an estimated additional cost to each regulant of about \$5 annually.

- 9. Specific agency or political subdivisions affected:** Department of Professional and Occupational Regulation, Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects.

- 10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 3/6/06 kbs

**Document:** G:\06 FIS\DPOR\HB1054er.Doc