

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** HB1008

House of Origin      X     Introduced                 Substitute                 Engrossed  
Second House                In Committee             Substitute                 Enrolled

**2. Patron:**        Athey

**3. Committee:** General Laws

**4. Title:**            **Board for Contractors; license renewal; continuing education for contractors.**

**5. Summary:** This bill authorizes the Board for Contractors to establish in its regulations a requirement for the successful completion of a course on building codes, not to exceed three hours of classroom instruction, as a prerequisite to renewal of any license. The Board may approve such courses as it deems appropriate.

**6. Fiscal Impact Estimates:** Preliminary.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2010-11	118,777	1.0	NGF
2011-12	70,582	1.0	NGF
2012-13	70,582	1.0	NGF
2013-14	70,582	1.0	NGF
2014-15	70,582	1.0	NGF
2015-16	70,582	1.0	NGF

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2010-11	0	NGF
2011-12	0	NGF
2012-13	0	NGF
2013-14	0	NGF
2014-15	0	NGF
2015-16	0	NGF

**7. Budget Amendment Necessary:** Yes, Item 113.

**8. Fiscal Implications:** This bill includes a provision for the Board for Contractors to implement and administer a continuing education requirement for licensed contractors. Requirements include three hours of classroom instruction in building codes every two years as a prerequisite for license renewal. The Board currently regulates 68,000 contractors who would be affected by this requirement.

Personal Service Costs: This legislation may require one classified Band 3 Licensing Specialist to maintain education records, upload education reports, communicate with education providers and licensees, and review and approve education provider applications. The cost of salary and benefits for this position, based on the mid-point of the band range, is expected to be \$56,621 in FY 2011 (assuming 23 pay periods) and \$59,082 in future years. These are recurring costs that will continue into future biennia.

Operating Costs: In FY2011, the Department of Professional and Occupational Regulation (DPOR) will need to purchase furniture and equipment for the new position at an estimated cost of \$7,000. This is a one-time expenditure that will not continue into future years. Other operating costs beginning in FY2011 include telephone, employee development, computer operating support, postage, printing, and supplies, and are estimated at \$11,500 each year for the requested position. These are recurring costs that will continue into future years.

Board regulations will be revised to reflect the new requirements. Board member travel for four additional meetings will be \$3,656 in FY2011 only. Postage and printing costs for notifications of the new regulatory requirement will be \$40,000 in FY2011 only.

Total costs are projected to be \$118,777 in FY2011, and \$70,582 in future years.

Revenue: In accordance with the provisions of Section 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 Board's current cash and revenue are expected to be sufficient for the next biennium to cover the increased costs associated with this legislation.

Cost to Regulators: Each licensed contractor would be required to attend three hours of continuing education per two year licensing period at an estimated cost of \$150 to \$500, which would be paid directly to the education provider.

No increase in licensing fees is expected in the next biennium as a result of this legislation. Costs associated with this legislation will be reflected in licensing fees the next time fees are adjusted, as an additional cost of about \$5.00.

**9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 2/10/2010 dpbbrb

**Document:** <http://dpb.virginia.gov/efis/fistemplate.doc>