

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$1,600	\$2,540	\$1,600	\$8,180
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,600	\$2,540	\$1,600	\$8,180

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 834 amends provisions of the Engineers and Architects Regulation Act. The bill:

- Defines terms;
- Allows for compensation for members of the Board of Engineers and Architects for participation in, attendance at, and conduct of board activities by telephone or electronic means;
- Strikes obsolete transfer language;
- Eliminates requirements that the roster of architects and professional engineers be filed with the Secretary of State;
- Amends provisions relating to licensure as an architect;
- Eliminates an experience requirement for an applicant to be eligible for admission to the examination on the principles and practice of engineering;
- Allows for graduates from a program accredited by the Canadian Engineering Accreditation Board to be eligible for enrollment as an engineer-intern or for an applicant to be eligible for admission to the examination on the principles and practice of engineering; and
- Clarifies provisions relating to temporary permits.

Revenue:

The Board of Engineers and Architects estimates a change in revenue due to the removal of two requirements in the bill: 1) the requirement for architect examination applicants apply to the board prior to examination; and 2) the requirement for engineer examination applicants obtain 4 years' experience before applying for examination.

Removal of the first requirement results in a net increase in revenue. The board has previously only charged a fee for architect examination re-approval applicants. As a result, the board estimates a reduction in the revenue from re-approval applicants, but an increase in revenue from architect examination applicants from the new application fee, to be paid after examination, which is estimated to be set by board at \$50.

Removal of the second requirement results in a short-term increase in revenue from engineer examination applicants who have less than 4 years' experience who apply to take the principles and practice of engineering exam. The current exam fee is \$30, and the increase in revenue is estimated to be in FY 20-21 and 21-22 only, and thereafter applicant numbers will return to normal levels as applicants can take the exam without having to obtain 4 years' experience prior to applying.

Expenditures:

The board estimates the provisions allowing compensation for telephonic or electronic activities of the board results in an increase of \$1,600 in per diem expenditures per year.

There is no basis to disagree with these estimates.

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2020

LB⁽¹⁾ 834

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Board of Engineers and Architects

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$1,600	\$2,540	\$1,600	\$8,180
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$1,600</u>	<u>\$2,540</u>	<u>\$1,600</u>	<u>\$8,180</u>

Explanation of Estimate:

Board member compensation eligibility

LB 834 adds a provision to authorize compensation for Board members when they participate in meetings via telephone or electronic means when authorized by a vote of the Board members. One member is projected to be involved in approximately four authorized meetings by teleconference or by electronic means. The increase is estimated at \$400 (4 x the current maximum compensation of \$100). Approximately four Board committee meetings consisting of three members are held by teleconference each year. The increase in per diem is estimated at \$1,200 (3 x \$100 x 4). The total increase in per diem expenditures is estimated at \$1,600 per fiscal year. The possibility also exists that the Board could set the compensation amount at a lower amount for certain meetings; this estimate assumes no change in the \$100 amount.

Removal of Board approval requirement for architect examination candidates

LB 834 removes the requirement for architect examination applicants to submit an application with the Board of Engineers and Architects to sit for the Architectural Registration Examination (ARE). While the examination requirement for licensure remains unchanged, the Board will no longer need to accept, review, or approve approximately 20 ARE examination and re-approval applications for these examination candidates each fiscal year. Candidates will apply directly to the National Council of Architectural Registration Boards (NCARB) to request eligibility to test. After approval from NCARB, they would be allowed to begin scheduling appointments to take the computer-based ARE divisions.

A new application for initial licensure will be created for architects. This will allow the Board to review and ensure education, examination, and experience requirements are met before licensure is granted. Application fees are projected at \$50. A 20% decrease in initial license applications from the current number of examination applications is projected.

Removal of experience requirement to sit for the PE examination

LB 834 also removes the requirement for engineer examination applicants to obtain four years of engineering experience *before* applying to take the Principles & Practice of Engineering (PE) examination. A large number of candidates will immediately be eligible to take the PE examination if the engineering experience requirement is removed. A temporary increase in the number of application fees collected is projected. Application volume is expected to return to normal levels after FY 2021-22. The projected revenue increase is based on the current PE examination fee of \$30. If LB 834 passes, the Board will review the PE examination process during revision of its rules and regulations and may reduce the application fee for examinations, which would reduce revenue.

The following table reflects the projected changes in revenue for the next two fiscal years.

FY 2020-21	FY 2021-22	Description of Revenue Change
\$ 1,800	\$ 7,440	Additional PE examination application fees collected (\$30 each)
(60)	(60)	2 ARE re-approval applications x \$30 no longer collected <i>Filing fee was collected for ARE re-approvals only</i>
800	800	20 Architect initial license applications x 80% (volume) x \$50 application fee
\$ 2,540	\$ 8,180	Projected gain in revenue

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2020-21	2021-22
	20-21	21-22	EXPENDITURES	EXPENDITURES
Board member per diem (8 members)			\$1,600	\$1,600
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$,1,600	\$1,600