



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 10-20: Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects, Rules and Regulations Department of Professional and Occupational Regulation

October 21, 2004

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects (board) propose to: 1) repeal the requirement that applicants for architect licensure be enrolled in the National Council of Architectural Registration Board's (NCARB) Intern Development Program (IDP) for at least one year prior to submitting an application for original licensure, 2) require that applicants for any of the board's licenses or certifications demonstrate that they are aware of relevant regulatory and statutory issues by providing answers to questions in their application package, 3) change the required number of days prior to the architecture, landscape architecture, principles and practice of engineering, and principles and practice of land surveying exams that applicants must submit full applications from 120 days to 130 days, 4) require that responsible persons for registered professional corporations, registered professional limited liability companies, and other registered business entities notify the board in writing of any changes in their employment status within 30 days of

such change, 5) eliminate certain requirements when using electronic seals and signatures, and 6) make numerous changes for clarification.

Estimated Economic Impact

Architect licensure

In order to become a licensed architect, individuals must pay an application fee, hold a professional degree in architecture from an accredited program, pass an examination prepared by the National Council of Architectural Registration Boards (NCARB), have at least 12 months experience/training in architecture as an employee in the office of a licensed architect, successfully complete the NCARB Intern Development Program (IDP) in no less than three years, and obtain three references. The NCARB IDP concerns on-the-job training for architects following training guidelines established by NCARB.

The current regulations state that: “An applicant shall be enrolled in NCARB IDP for a period of one year or more prior to submitting an application for original licensure in Virginia.” The requirement that architecture license applicants not apply until they have been enrolled in NCARB IDP for at least a year does not affect most applicants since NCARB IDP typically takes three years to complete.¹ On the other hand, there are individuals who have not enrolled in NCARB IDP, but have experience that either satisfies all or most of NCARB IDP training requirements. Under the current regulations, even if NCARB determines that these individuals’ training completely satisfies NCARB IDP, they must wait a year before they can obtain licensure. The board proposes to eliminate the requirement that applicants must be enrolled in NCARB IDP for at least one year prior to applying for licensure. This proposed amendment will create a net benefit. Affected individuals will be able to work as licensed architects one year sooner. Since these individuals will have already satisfied all requirements pertaining to knowledge and ability, there is no cost to the public associated with their working as licensed architects one year sooner.

Examination on regulations

The board proposes to require licensure and certification applicants to demonstrate that they are aware of the stated requirements within the regulations and statutes that apply to their

¹ Source: Department of Professional and Occupational Regulation

profession by providing answers to questions in their application package. The applicants are given the Internet addresses for viewing the applicable regulations and statutes.² The Department of Professional and Occupational Regulation (department) will mail copies of the regulations and statutes to applicants who do not have Internet access. According to the department, the answers to the questions will be readily apparent within the regulations and statutes. This proposed requirement will create some cost for applicants in that they will spend time answering questions that they could have used productively in other activities. Those applicants who would have read the regulations and statutes carefully without this proposed requirement incur a smaller new cost than do the applicants who would not have read the documents carefully. The proposed requirement will likely result in greater awareness of the details of state rules and requirements by licensees and certificate holders. Greater awareness of the details within the regulations and statutes will most likely create some degree of greater compliance with those rules and requirements.

Individuals without extensive experience reading the law may have difficulty interpreting regulations and statutes. Making sense of laws and regulations takes significant time and effort for even experienced readers. In fact, the department is in a much better position to interpret the requirements of law and regulation than are most licensees. Rather than just providing applicants with access to the regulations and pertinent statutes, the department could improve the likelihood that applicants will understand the legal requirements associated with their profession by providing summaries of those requirements in laymen's terms. If done well, this would help accomplish the intended goal of testing applicants on the stated requirements within the regulations and statutes; i.e., increased knowledge by the regulated professionals upon the legal requirements of their profession. In addition to improving understanding, such a department effort would save an indeterminate amount of time, effort, and possibly frustration on the part of licensees.

Required time frames for submissions

Under the current regulations, licensure and certification applicants who need to take and pass the architecture, landscape architecture, principles and practice of engineering, or principles and practice of land surveying exam, must submit their application at least 120 days prior to the

² Source: Department of Professional and Occupational Regulation

scheduled exam date. In practice, the department posts specific application due dates (which are 120 days before the exam dates) on their website. Thus far the department has been able to process applications within 120 days. It is concerned though, that at current staffing levels it may not be able to meet the processing workload within 120 days if there is significant growth in the number of applications. The board proposes to amend the 120-day figure to 130 days so that the department will have sufficient time to process applications at times of high demand. The department does intend to keep posting due dates of 120 days prior to the exam date for as long as demand stays at a level that can be handled within 120 days.

As long as the department continues to post application due dates of 120 days prior to the examination the proposed amendment will have no effect. If the department does post an application due date that is 130 days prior to examination, most applicants will likely be able to comply with little or no additional cost. For a small number of applicants the greater required number of days in advance that the completed applications must be completed may cause a delay in when they can take their required examination and earn licensure or certification. The landscape architecture, principles and practice of engineering, and principles and practice of land surveying examinations are offered twice a year. Thus, a small number of landscape architects, professional engineers, and land surveyors who would have submitted their completed application 120 days ahead of exam time, but are unable³ to submit their application 130 days ahead of time, may have to wait about six additional months to become certified or licensed. The architecture exam is offered six days a week year round. Thus for architecture license applicants, the extra 10 days could delay their licensure by 10 or 11 days. Hiring additional staff to handle peak times would be costly. Expenditures would need to be made for training as well as wages. It is not known how many individuals would have their licensure or certification delayed due to earlier application due dates, but it is likely to be quite small. Estimates for how many individuals would have their licensure or certification delayed would be needed to determine whether the proposed cumulative costs of those delays would exceed the costs of hiring and training additional staff for the department. Data for such estimates are not currently available.

³ or consider it too costly

The current regulations require that responsible persons for registered professional corporations, registered professional limited liability companies, and other registered business entities notify the board in writing of any changes in their employment status within 10 days of such change. The board proposes to allow responsible persons up to 30 days for notification. At times of change in employment status individuals may find it particularly difficult to find the time (and to remember) to send written notifications to the board. This proposed amendment makes compliance easier. Since the board determined notification within 30 days is sufficient for its purposes, this proposed change produces a net benefit.

Electronic seals and signatures

Under the current regulations, in order for licensees and certificate holders to use an electronic seal, signature, and date, in lieu of an original seal signature, and date, the electronic information must be:

linked to the document file in such a manner that changes are readily determined and visually displayed if any data contained in the document file was changed subsequent to the electronic seal, signature and date giving been affixed to the document; and changes to the document after affixing the electronic seal, signature and date shall cause the electronic seal, signature and date to be removed or altered in such a way as to invalidate the electronic seal, signature and date.

The board proposes to eliminate these requirements. It has determined: 1) that the requirements are not met by any software that is currently commercially available, and 2) that electronic seals, signatures, and dates do not produce greater risk of fraud than do paper seals, signatures, and dates. Eliminating these requirements will make the use of electronic seals, signatures, and dates feasible for licensees and certificate holders. Using electronic seals, signatures, and dates can at times significantly reduce the cost of doing business since electronic information can be delivered close to instantaneously and at very little marginal cost, while sending paper documents can take days and cost more in delivery charges. Applicable electronic encryption software is also readily available. To the extent that the risk of fraud is not increased, this proposed amendment will produce net benefits.

Businesses and Entities Affected

The proposed regulations affect the 33,100⁴ architects, professional engineers, land surveyors, interior designers, landscape architects, and associated businesses that are licensed, certified, or registered in Virginia, as well as their clients.

Localities Particularly Affected

The proposed regulations affect localities throughout the Commonwealth.

Projected Impact on Employment

The proposal to repeal the requirement that applicants for architect licensure be enrolled in NCARB IDP for at least one year prior to submitting an application for original licensure will permit affected individuals to begin their practice as licensed architects up to one year sooner. The proposal to require license and certification applicants to submit their completed applications 130 days prior to examination can delay when applicants become licensed or certified.

Effects on the Use and Value of Private Property

The repeal of the requirement that applicants for architect licensure be enrolled in the National Council of Architectural Registration Board's (NCARB) Intern Development Program (IDP) for at least one year prior to submitting an application for original licensure will allow affect individuals work as licensed architects up to one year sooner. This will allow those professionals to potentially earn greater income and increase the value of their practices commensurately.

The proposed elimination of specified requirements for the use of electronic seals, signatures, and dates will likely lead to increased use of electronic seals, signatures, and dates. This has the potential to reduce the costs of doing business for firms, and consequently raising their value commensurately.

⁴ Source: Department of Professional and Occupational Regulation