



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **18 VAC 145-20: Board for Professional Soil Scientists Regulations Department of Professional and Occupational Regulation September 30, 2003**

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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 Professional Soil Scientists and Wetland Professionals (board) proposes to raise licensure fees for soil scientists.

### **Estimated Economic Impact**

The board's expenditures have increased significantly in the current biennium. The Department of Professional Occupation and Regulation estimates that current (2002-04) biennial expenditures will be \$41,106, compared to \$12,463 in the last biennium (2000-02). The new expenditures are primarily due to the introduction of a new profession to the board (wetlands delineators), and a higher indirect cost classification for the board. When the number of soil scientists rose (from 88) to more than 100, it caused the soil scientist program to jump a step in the cost allocation system, and thereby increased the indirect expenditures attributed to this board.

A part of the increase in the board's expenditures is due to the department's development of a new computer licensing system. Among other attributes, the new system will permit citizens to apply for licenses and license renewals on-line. The use of on-line applications should speed licensure application; mailing time will be eliminated. Also, the cost of mailing materials and postage will be saved. The resulting reduction in licensing transaction costs provides an economic benefit that offsets at least part of the increased fees.

In order to maintain sufficient revenue to cover expenditures, the board proposes to double the certification application fee from \$150 to \$300, increase the certification renewal fee from \$175 to \$260, and increase the reinstatement fee from \$200 to \$300. The higher fees will reduce the net worth of certified soil scientists and certification applicants. Since certification is not legally required to sell soil science services, the significant fee increases may compel a small number of certified individuals to choose not to renew their certification, and may discourage some potential applicants from applying for certification.

### **Businesses and Entities Affected**

The proposed regulations affect the 114<sup>1</sup> soil scientists certified by the Commonwealth, as well as individuals considering applying for certification.

### **Localities Particularly Affected**

All localities in the Commonwealth are affected.

### **Projected Impact on Employment**

Higher fees may discourage some individuals, particularly individuals considering part-time work, from seeking certification and offering their services. The impact of the increased fees is reduced somewhat by the lower licensing transaction costs resulting from the new online licensing system.

### **Effects on the Use and Value of Private Property**

The higher fees will reduce the net worth of certified soil scientists (who choose to remain certified) and certification applicants by the amount of the fee changes, minus the reduced licensing transaction costs.

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<sup>1</sup> Estimated figure provided by the Department of Professional and Occupational Licensing