

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$11,000	\$390	\$11,000	\$390
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$11,000	\$390	\$11,000	\$390

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

LB 665 makes extensive revisions and changes to the Engineers and Architects Regulation Act.

Most changes to the Act are of a clarifying and clean-up nature. Those changes with actual or potential fiscal impact are as follows:

Increases the amount of per diem that may be received from not more than sixty dollars to not more than one-hundred dollars;

Engineer-intern enrollment will no longer be required for an examinee to sit for the Principles and Practices of Engineering Examination which could result in a reduction in the number of applications and engineer-intern enrollment filing fees;

The National Council of Examiners for Engineering and Surveying will administer the computer-based examination. The Board will no longer accept applications to approve applicants to sit for the Fundamentals of Engineering examination. The change will result in a loss of filing fee revenue for retakes of the examination;

The Board will no longer require four years of experience necessary for an examinee to sit for the Professional Engineer examination. A new application for initial licensure is created. This change will likely result in an increase in revenue;

Removes a provision that allows architecture applicants to become licensed without an NAAB- accredited degree if they have twelve years of education and experience combined.

The Engineers and Architects Board has estimated expenditures of \$11,000 in each of FY14-15 and FY15-16 and revenue of \$390 in those same years.

There is no basis to disagree with the Board's estimate of fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 665	AM:	AGENCY/POLT. SUB: Board of Engineers and Architects	
REVIEWED BY: Gary Bush		DATE: January 17, 2014	PHONE: 471-4161
COMMENTS: The Board's estimate of additional per diem costs and increased revenue appears to be reasonable.			

LB⁽¹⁾ 665

FISCAL NOTE

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

Prepared by: ⁽³⁾ Steve Masters Date Prepared: ⁽⁴⁾ 1/15/2014 Phone: ⁽⁵⁾ 402-471-3060

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>11,000</u>	<u>390</u>	<u>11,000</u>	<u>390</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>11,000</u>	<u>390</u>	<u>11,000</u>	<u>390</u>

Explanation of Estimate:

In 2012, the Board of Engineers and Architects discussed the need to revise the Engineers and Architects Regulation Act to address the impending move of the NCEES Fundamentals of Engineering (FE) examination from a paper-and-pencil format to a computer-based testing environment. The discussion became the catalyst to task a special committee to revise the Act to not only accommodate computer-based testing but to examine each section to propose changes to improve readability and accessibility.

Besides clean up and clarification changes in the Act, LB 665 raises per diem from \$60 to \$100 for the eight appointed members of the Board of Engineers and Architects. Currently, approximately 275 units of per diem are paid each year. An increase of \$40 for each per diem would result in additional personal services expenditures of \$11,000.

A slight gain in revenue is projected due to proposed changes as a result of the implementation of computer based testing for the NCEES Fundamentals of Engineering (FE) examination.

Changes in LB 665 include:

1. Engineer-intern enrollment will no longer be required in Nebraska for an examinee to sit for the Principles and Practices of Engineering Exam (PE). This change is anticipated to reduce the number of applications and engineer-intern enrollment filing fees (\$30 per application). Loss of revenue will be approximately \$960.
2. As of January 1, 2014, the National Council of Examiners for Engineering and Surveying (NCEES) will administer all aspects of the computer-based examination. The Board will no longer accept applications to approve applicants to sit for the FE exam. This change will result in a loss of revenue from filing fees for retakes of approximately \$1,650 (\$30 per 55 re-take applications).
3. The Board will no longer require four years of engineering experience as a requirement for an examinee to sit for the PE exam. A new application for initial licensure will be created since in the past, initial licensure was connected to the passage of the PE exam. The examinee already had four years of experience before sitting for the exam. Approximately 100 applications are anticipated with a filing fee of \$30. This new application would result in approximately \$3,000 additional revenue.
4. The removal of a provision to allow architecture applicants to become licensed without a NAAB-accredited degree if they have 12 years of education and experience combined is proposed. This revision will have little effect on revenue since this type of application is no longer common.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
Board Per Diem Increase (8 members)			11,000	11,000
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			11,000	11,000