

STATE OF MINNESOTA
BOARD OF ARCHITECTURE, ENGINEERING,
LAND SURVEYING, AND LANDSCAPE ARCHITECTURE

In the Matter of the Proposed Adoption
of Rules of the State Board of Architecture,
Engineering, Land Surveying, and
Landscape Architecture

STATEMENT OF NEED
AND REASONABLENESS
OF PROPOSED RULES

STATEMENT OF NEED AND AUTHORITY

Minnesota Statutes Sections 326.02-326.15 (1982) provide for the regulation of architects, engineers, land surveyors, and landscape architects. This statute was originally enacted as Minnesota Laws 1921, Chapter 523. Chapter 523, Section 9, permitted the Board of Architecture, Engineering and Land Surveying to subject applicants to an examination which would test qualifications and fix standards for determining the qualifications of applicants for registration. Subsequent to the original enactment in 1921 granting the board authority over architects, engineers, and land surveyors, the Legislature added the board's regulation of landscape architects in Minnesota Laws 1975, Chapter 329. Presently, the board exercises regulatory authority through its rulemaking power which is found in Minnesota Statutes Section 326.06 (1982).

Minnesota Statutes Section 214.06 (1982) provides that the board may by rule, with the approval of the Commissioner of Finance, adjust any fee which the board is empowered to assess a sufficient amount so that the total fees collected by the board will as closely as possible equal anticipated expenditures during the fiscal biennium. It further provides that examination fees shall be set by rule so that the total amount of annual examination income approximately meets the anticipated cost of administering examinations during the fiscal biennium.

FACTS ESTABLISHING REASONABLENESS

The fact that board fee-generated revenues for the Fiscal Year 1984-85 Biennium are projected to fall short of disbursement requirements by approximately \$103,400 requires that a fee increase be made in accordance with Minnesota Statutes Section 214.06, Subdivision 1 (1982). Minnesota Statutes Section 16A.128 (1982) permits the board to adjust fees without public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. Board fee generated income is deposited in the State General Fund with Board expenses paid from an appropriation made by the Legislature on a biennial basis.

The Board requested, and received, an additional \$12,000 for each year of its appropriation for the Fiscal Year 1984-85 Biennium to improve its law enforcement program. Personnel costs have increased approximately 10% over the Fiscal Year 1982-83 Biennium or about \$12,500 per year. Indirect costs for Fiscal Year 1984 will be \$26,600 and \$27,700 for Fiscal Year 1985. These expenses account for the shortfall we will experience during the Fiscal Year 1984-85 without the proposed fee increase to amounts as explained below.

The proposed change to 4 MCAR Section 7.004C. will increase the biennial license fee from the current \$34.00 to \$45.00. This increase is expected to generate \$103,000 in additional funds which are needed to offset increased operating expenses not to include examination costs. License fees for new licensees are prorated over six-month periods over each biennium as in the current rule.

Proposed changes to 4 MCAR Section 7.004D. are made to clarify existing language. Quotation marks are placed before and after the term delayed renewal fee to clarify the purpose of the fee. The abbreviation for Minnesota Statutes, Section, and Subdivision are stricken and replaced with the words spelled out for clarification purposes.

The proposed changes to 4 MCAR Section 7.004E.1. result from the elimination of the old Qualifying Test; Section A, Professional Examination; and Section B, Professional Examination. The fees for these examinations are being deleted because the examinations are no longer available. The eliminated examinations are being replaced by the nine-part Uniform Architect Registration Examination (ARE) given over a four-day period in June of each year. The total cost of the ARE is \$220 as shown by the proposed fee for the examination. The fees generated by this increase could amount to approximately \$1,400 for each year of the biennium. The architect examinations are prepared by the National Council of Architectural Registration Boards and sold to the member boards comprised of the 50 states, the District of Columbia, Guam, and the Virgin Islands.

The proposed changes to 4 MCAR Section 7.004E.4. result from the board grading its own performance problems for the Uniform National Examination for landscape architects. The \$150 fee for 1982 and 1983 included a charge of \$9 per sheet for five sheets charged by the Council of Landscape Architectural Registration Boards (CLARB). The \$165 fee for 1984 and 1985 included an increase in the CLARB charge for grading. Since the board now grades its own performance problems the examination fee is reduced to \$105 which covers the cost of the examination to include grading. This meets the requirement of Minnesota Statutes, Section 214.06, Subdivision 1 which states that examination fees shall be set so that the total amount of annual examination fee income approximately meets the anticipated cost of administering the examinations during the fiscal biennium. The existing \$25.00 application fee covers the administrative costs of administering examinations. This fee reduction will result in the loss of about \$480 each year. The change is necessary in fairness to the applicant.

The proposed changes to 4 MCAR Section 7.004F.1. results from the replacement of the examination series comprised of the Qualifying Test

and Sections A and B of the Professional Examination by the Uniform Architect Registration Examination (ARE). The current sub-parts a, b, and c have been stricken because those examinations are no longer available. These have been replaced by new sub-parts a thru i which name the nine divisions of the new Uniform Architect Registration Examination along with the fee for each division of the examination. The fee is identical to the cost to the board of each division of the examination. An applicant is required to retake only those divisions of the ARE previously failed. Credit is given for parts of the old examinations passed. We anticipate a possible increase in fee income of about \$200 with the change in these fees.

The proposed changes to 4 MCAR Section 7.004F.4. reflect the change from the grading of landscape architect Uniform National Examination performance problems by the Council of Landscape Architectural Registration Boards (CLARB) to local grading. There are three performance problems each in Subjects C and D of the Uniform National Examination. Local grading results in reduced grading costs to the board which should be passed on to the candidate. The retake fee for Subjects C and D are therefore reduced from \$60.00 to \$37.50. Applicants are required to retake only those subjects previously failed. We anticipate a loss of fee income of about \$250 with this change. The board believes this change is necessary in fairness to the applicant.

The proposed changes to 4 MCAR Sections 7.004G. and 7.004G.1. are for clarification purposes only. The current language reading Minn. Stat. S. Subd. is stricken and replaced by spelling out the words Minnesota Statutes, Section, and Subdivision to clarify the intent of the rule. The words "the provision of" are stricken in Section 7.004G.1. as being redundant. The fee for the replacement of revoked, lost, destroyed, or mutilated certificates in Section 7.004G.1. is increased from \$5 to \$10 to cover the cost of handling the request for replacement and the cost of engrossing the new certificate. Section 7.004G.4 adds a new fee of \$10 for monitoring licensing examinations for applicants of other boards at overseas test sites. This cost covers the handling and postage costs in sending these examinations to the overseas site at Army or Fleet Post Office addresses.

The agency has considered the impact that the proposed increase in fees will have on small business and finds that such impact will be minimal. The Board licenses individuals rather than corporations, partnerships and other firms and has found that more than ninety percent of all licensees pay their license fees from personal funds. The proposed increase will cost each licensee \$5.50 a year. The proposed rule was sent to each of the major professional societies on August 26, 1983 for comment and publication in their monthly newsletters to their memberships. The Board has received no criticism of its proposal to raise its license fees. Small businesses involved in the design professions will benefit from the program in that unscrupulous licensees will be prosecuted. Adequate building plans and specifications and proper land surveys will also benefit contractors, building owners, and land owners, many of whom are also small businesses.



Lowell E. Torseth
Executive Secretary