

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE

House Bill 69

(The Speaker)(By Request - Department of Legislative Services)

Economic Matters

Education, Health, and Environmental Affairs

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State Board for Professional Engineers - Sunset Extension and Program Evaluation

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This bill extends the termination date for the State Board for Professional Engineers by 10 years to July 1, 2023, and requires an evaluation of the board by July 1, 2022. The bill includes a related reporting requirement.

The bill takes effect July 1, 2011.

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Fiscal Summary

**State Effect:** Special fund revenues and expenditures associated with professional engineers in the State Occupational and Professional Licensing Design Boards' Fund are maintained beyond FY 2013. The Governor's proposed FY 2012 budget includes \$608,545 for board operations. The bill's reporting requirement can be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** Uncodified language requires the board to submit a report by October 1, 2012, to specified committees of the General Assembly that addresses the following:

- reallocating the board’s special fund resources and staff in light of privatization of examination administration responsibilities, the new continuing professional competency requirements, and the growing licensing workload;
- implementing the examination administration process through a private contractor;
- establishing and implementing continuing professional competency requirements;
- establishing firm permits or certificates of authorization with uniform requirements for all five design boards;
- implementing the new structural engineering exam; and
- instituting computer-based testing and establishing more rigorous educational requirements for licensure.

**Current Law/Background:**

*Maryland Program Evaluation Act*

The State Board for Professional Engineers is 1 of approximately 70 regulatory entities and activities currently subject to periodic evaluation under the Maryland Program Evaluation Act. The Act establishes a process better known as “sunset review” as most entities evaluated are also subject to termination, including the board, which is scheduled to terminate July 1, 2013. The sunset review process begins with a preliminary evaluation conducted by the Department of Legislative Services (DLS) on behalf of the Legislative Policy Committee (LPC). LPC decides whether to waive an entity from further (or full) evaluation. If waived, legislation to reauthorize the entity typically is enacted. Otherwise, a full evaluation usually is undertaken the following year.

*Regulation of Engineers*

Engineering is the discipline, art, and profession of acquiring and applying technical, scientific, and mathematical knowledge to design and implement materials, structures, machines, devices, systems, and processes that safely realize a desired objective or invention. The broad discipline of engineering encompasses a range of more specialized sub-disciplines, including aerospace engineering, chemical engineering, civil engineering, electrical engineering, and mechanical engineering.

The State Board for Professional Engineers regulates the practice of engineering to safeguard life, health, and property. The major functions of the board include determining whether applicants qualify for licenses and certificates, issuing licenses and

certificates, administering examinations, investigating complaints about professional engineers, and enforcing the Maryland Professional Engineers Act.

As of August 2010, there were 17,492 licensed professional engineers in the State. The number of licenses and certificates issued by the board grew by 1,800 between fiscal 2006 and 2010 – an increase of 23%. Since 2000 the number of professional engineers licensed by the board has increased by 4,660.

The board is housed within the Division of Occupational and Professional Licensing within the Department of Labor, Licensing, and Regulation (DLLR). The board is one of five “design boards” under DLLR’s purview; the other design boards include the State Board of Architects, State Board of Certified Interior Designers, State Board of Examiners of Landscape Architects, and the State Board for Professional Land Surveyors.

Chapter 227 of 2003 created the State Occupational and Professional Licensing Design Boards’ Fund to ensure that costs for the five design boards were covered by their revenues. Chapter 273 of 2008 extended the fund’s sunset date by five years to June 30, 2013. Since 2003, the Secretary of Labor, Licensing, and Regulation has been charged with annually calculating the direct and indirect costs attributable to each of the design boards. With consent of the boards, the Secretary is authorized to average the direct and indirect costs among the boards in order to establish fees that more equitably distribute the costs associated with the operation of each board across all five boards.

#### *Sunset Findings and Recommendations*

The State Board for Professional Engineers last underwent a full evaluation as part of sunset review in 1991. DLS conducted a preliminary evaluation of the board in 2000, which found that it was successfully fulfilling its statutory responsibilities and recommended a waiver from full evaluation. Chapter 73 of 2001 extended the board’s termination date by 10 years to July 1, 2013.

During the 2010 interim, DLS conducted a preliminary evaluation of the board, which found that the board has successfully implemented many changes since the 2000 evaluation and is well positioned to address current issues and demands. Thus, DLS recommended that LPC waive the board from full evaluation and that legislation be enacted to extend its termination date by 10 years. Even so, the preliminary evaluation determined that several issues pertaining the board’s activities and operations required further consideration by both the board and DLLR. As a result, DLS also recommended that DLLR submit a follow-up report to specified committees of the General Assembly by October 1, 2012, addressing the issues identified in the preliminary evaluation.

The bill implements DLS' recommendations, as adopted by LPC at its December 21, 2010 meeting.

**Additional Comments:** The 2010 sunset review of the State Board of Architects, conducted concurrently with the evaluation of this board, recommended that DLLR report to specified committees of the General Assembly by October 1, 2011, on the sufficiency of the design boards' fund and whether the other four boards should adjust their fees to ensure that the collective revenue for the boards covers total expenditures. The preliminary evaluation of the State Board for Professional Engineers concluded that board revenues cover all of its expenditures and also partially subsidized the operations of the other four design boards.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 94 (The President)(By Request - Department of Legislative Services) - Education, Health, and Environmental Affairs.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - January 31, 2011  
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