

Economic Impact Statement

LSA Document #07-664

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

Estimated Number of Small Businesses Subject to this Rule:

- Professional Engineers: 11,849
- Professional Engineer Professional Corporations: 83
- Professional Engineer Continuing Education Sponsoring Organizations: 3

The types of small businesses most likely to be affected by this proposed rule are engineering firms, professional engineers, and continuing education providers. Engineer continuing education providers are individuals or businesses that provide training and maintenance in the engineering profession.

The State Board of Registration for Professional Engineers has the authority to promulgate rules in accordance with [IC 25-31-1-17.5](#) to adopt rules requiring a professional engineer to obtain continuing education for renewal of a certificate under [IC 25-31-1-17](#). The proposed rule adds the requirement for continuing education for licensure.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

The Board estimates that the proposed rule will have an insignificant fiscal impact on the state or agency.

Estimated Total Annual Economic Impact on Small Businesses:

The cost per hour of continuing education for the licensee is estimated to be \$150 per credit hour. Currently, this cost is being paid by employers for their staff to attend continuing education seminars. The agency determined that there will be no annual revenue generated by this rulemaking action. The estimated annual impact is based on the number of renewal applicants that the Board received in 2006 plus those licenses issued in 2007, which included:

- 11,849 licensed engineers × \$150 per continuing education hour = \$1,777,350
- 15 hours of continuing education × \$ 1,777,350 total cost per hour = \$ 26,660,250

This number is an estimated number of licensees registered with the Board. Also, it is important to note that the engineering profession currently requires continuing education as a condition of renewal for over half of the states. Thus, this cost is already being incurred by the professionals, firms, and small businesses. Adding continuing education as a requirement will allow opportunity for engineers, firms, and small businesses to increase revenue by becoming approved providers.

Regulatory Flexibility Analysis of Alternative Methods:

The proposed rule creates the requirement for continuing education as a condition for renewing licensure. The Board did not consider alternate compliance or reporting requirements or other operational standards. There are no new reporting or record keeping requirements for small businesses as a result of this proposed rule.

Posted: 02/27/2008 by Legislative Services Agency

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