

California Architects Board

Initial Statement of Reasons

Hearing Date: No hearing has been scheduled for the proposed action.

Subject Matter of Proposed Regulations: Retired Architect License Fee

Sections Affected: Section 109.1 of Article 2 and Section 144 of Article 7 of Division 2 of Title 16 of the California Code of Regulations (CCR)¹

Background and Statement of the Problem

Statutory authority: The California Architects Board (Board) licenses architects. Business and Professions Code (BPC) section 5526 requires the Board to adopt rules and regulations governing the examination of applicants for licenses to practice architecture in this state and authorizes the Board to adopt other rules and regulations as may be necessary and proper.

Assembly Bill (AB) 2593 (Frazee, Chapter 862, Statutes of 1992) added section 5600.4 to the BPC. BPC section 5600.4 requires the Board to issue a retired license to an architect whose license meets certain specified criteria. AB 2593 also amended BPC section 5604 to specify that the fee for a retired license may not exceed the fee for issuance of an original license but does not specify the amount of that fee.

Lack of existing regulations: The Board currently does not have a regulation clarifying BPC section 5604(h), establishing the amount of the fee charged to obtain a retired architect license. Pursuant to CCR section 144(d), the fee for issuance of an original license is \$300, or \$150 for licenses issued less than a year before they expire. Because retired licenses will not expire (BPC section 5600.4(c)), the \$150 amount is inapplicable and the full-year fee of \$300 is the maximum amount the Board may charge for a retired license under BPC section 5604(h).

The Board also does not presently have a regulation specifically addressing who is eligible for a retired license, how to obtain a retired license, or how a holder of a retired license may return to active status. The Board does not presently have a retired architect license application. This proposal would address all of those issues.

Background: At the Board's February 27, 2019 meeting, the Board received a public comment regarding the requirements and associated costs for a retired license. (See February 27, 2019 Board Meeting Minutes, p. 3.) Not being on the agenda, the Board could not discuss the item. At the June 12, 2019 meeting the Board placed the item on

¹ All CCR references are to title 16 unless otherwise noted.

its agenda for discussion (see June 12, 2019 Board Meeting Agenda, Meeting Materials, and Meeting Minutes, p. 9), and was informed of the statutory authority and process to obtain a retired license, and the Board requested staff research reducing or eliminating the fee. At its September 11, 2019 meeting, the Board further discussed the fee that would be associated with a retired license and was advised there is a statutory requirement to require an application and fee to retire a license. (See September 11, 2019 Board Meeting Agenda, Meeting Materials, and Meeting Minutes, p. 7.)

At the Board's December 11, 2019 meeting, the Board approved amending CCR section 144 to establish a fee of \$40 to issue a retired architect license and provide the accompanying wall certificate. (See December 11, 2019 Meeting Agenda, Meeting Materials, and Meeting Minutes.) At the Board's September 10, 2021 meeting, the Board approved and adopted adding CCR section 109.1 to the regulatory proposal to clarify who is eligible for a retired license, how to obtain a retired license, and how a holder of a retired license may return to active status. (See September 10, 2021 Meeting Agenda, Meeting Materials, and Meeting Minutes.)

Problem statement: Until the Board adopts a fee by regulation, a licensee who retires is not be able to obtain a retired architect license. Instead, they must either (1) continue to pay their biennial renewal fee of \$300 and meet the conditions of license renewal to keep an "active" status, or (2) let the license expire and become delinquent. (BPC section 5600.2.) Neither option is appropriate for a licensee who wishes to retire. The first option is inappropriate because the licensee is no longer working in a capacity that requires a license. The second option is inappropriate because an expired license is canceled and cannot be reinstated more than five years after it expires (BPC section 5600.3), and a licensee whose license is canceled cannot refer to themselves using the term "architect," or any variation of the term "architect." (BPC section 5536.)

Further, the terms "expired," "delinquent," and "canceled" are inappropriate to properly distinguish licensees who have retired with a lack of disciplinary restrictions on their license from those whose licenses were suspended, revoked, otherwise restricted, or are incapable of being renewed at the time of retirement. (See BPC section 5600.4(a).) In the Board's experience, licensees and the public often associate the terms "expired," "delinquent," or "cancelled" with some type of unprofessional conduct on the part of the licensee. As a result, the lack of a "retired" designation deprives licensees of an appropriate distinction for distinguished service in the profession and deprives the public of an easy way to confirm that a licensee's retirement was voluntary and not compelled by disciplinary action. A licensee's status is public information and is displayed on the Board's website. By providing a means to obtain a retired status, licensees who are no longer practicing could avoid the possible stigma in the public and their professional community from having a licensed placed in a "delinquent" or "cancelled status."

Further, without the promise of eligibility for this distinction—enabling licensees, upon retirement, to self-identify as an “architect retired” or “retired architect” (BPC section 5600.4(b)), practicing licensees have less incentive to avoid conduct that is grounds for discipline at the end of their professional career (i.e., holding themselves out as an architect when no longer licensed by the Board in violation of BPC section 5536). Finally, if licensees apply for a retired license upon retirement instead of either letting their license expire or choosing to pay biennial license renewal fees without actively practicing architecture, the Board will have a better understanding of which licensees are actually continuing to practice. The Board will better be able to focus its oversight and enforcement activities on actively practicing licensees.

For these reasons, having a retired architect license application, specified eligibility criteria for a retired license, and an established fee creates an environment more conducive to compliance for licensees who wish to retire but retain the title “architect retired” or “retired architect” (permitted titles for those who hold a retired license pursuant to BPC section 5600.4(b)). However, assessment of a costly fee in an amount that discourages licensees from applying for a retired status may result in the misdirection of the Board’s oversight and enforcement resources. Both outcomes would be inconsistent with the Board’s mandate to protect the public. (See BPC section 5510.1.)

The Board’s proposal would address the foregoing issues by: (1) amending CCR section 144 to assign a fee of \$40 for a retired license and accompanying wall certificate; and (2) adopting CCR section 109.1 to clarify who is eligible for a retired license, how to obtain a retired license, and how a holder of a retired license may return to active status.

Purpose, Anticipated Benefit, and Rationale: Specific

CCR Section 109.1 – Retired License Application – Adopt New title and Section

Purpose: This proposal adds a new title “Retired License Application” and section 109.1 to the CCR. The purpose is to provide notice to those interested persons of the location of this new requirement and help guide interested persons to the location of the Board’s requirements for applying for a retired architect’s license.

Anticipated Benefits/Rationale: Adopting a new title and section is necessary to provide notice of these requirements and will benefit licensees by setting the parameters for who is eligible to apply for a retired architect license and the process for obtaining that license and accompanying wall certificate.

CCR Section 109.1(a) – Retired License Application

Purpose: CCR section 109.1, subdivision (a) establishes who is, and is not, eligible to obtain a retired license and the accompanying retired architect license wall certificate and also establishes the steps an architect (“applicant”) must follow to obtain a retired license and wall certificate. These requirements include submitting a completed application as specified in subsection (b) and meeting the criteria set forth in subdivision (a) of Section 5600.4 of the BPC, which states:

“(a) The board shall issue, upon application and payment of the fee fixed by this chapter, a retired license to an architect who holds a license that is **current and active or capable of being renewed** pursuant to Section 5600.2 and whose license is **not suspended, revoked, or otherwise punitively restricted by the board or subject to disciplinary action** under this chapter.” (Emphasis added to show the criteria that need to be met to be eligible.)

Anticipated Benefits/Rationale: Adopting the proposed language is necessary to implement BPC 5600.4 and will benefit licensees by setting the parameters for who is eligible to apply for a retired architect license and the process for obtaining that license and accompanying wall certificate. Further, adoption of this subsection enables the Board to place all statutory and regulatory requirements for eligibility for a retired license in one convenient location.

CCR Section 109.1(b)

Purpose: CCR section 109, subdivision (b), paragraph (1) defines a completed application as including the nonrefundable fee specified in CCR section 144, certain specified information, and a statement signed under penalty of perjury that all of the provided information is true and correct. CCR section 109.1, subdivision (b), paragraph (2) requires the Board to issue a retired architect license and wall certificate to an applicant who submits a completed application.

Anticipated Benefits/Rationale: Existing law does not specify the contents of the application for a retired license, what the Board deems a “completed” application, or how the Board will confirm to an applicant that they have met the requirements. This proposal would address the foregoing issues. Subdivision (b), paragraphs (1) and (2) are necessary to establish the information an applicant must provide to obtain a retired license and wall certificate. Architects considering retirement have inquired about retired licenses and have frequently requested the Board to issue retired architect license wall certificates. Subdivision (b), paragraphs (1) and (2) respond to these inquiries and requests by establishing the information required to obtain a retired license and requiring the Board to issue both a retired license and wall certificate to every applicant

who satisfies the requirements. Paragraph (1)'s specification that the application "includes the nonrefundable fee specified in section 144," and no other fee, is necessary to clarify for licensees that there is no separate charge for a wall certificate and that payment of the fee is a required element of the eligibility process. Subdivisions (b), paragraph (1), subparagraphs (A)-(E), inclusive, require an applicant for a retired license to provide information necessary for the Board to verify the identity of the individual within the Board's system, so that the Board may correctly issue the retired architect license and wall certificate, and to verify that the applicant meets the eligibility criteria set forth in BPC section 5600.4. In other words, the information is necessary for the Board to accurately examine the Board's records to determine whether the applicant has a current, active, or unrestricted license (i.e, suspended, revoked or otherwise punitively restricted), or a license not subject to discipline by the Board.

Subparagraph (A) requires the applicant's social security number or individual taxpayer identification number (ITIN) and is necessary for staff to accurately identify the applicant as a licensee. Subparagraph (B) requires the applicant's California architect license number and is necessary for staff to locate the licensee's information in the licensing record and obtaining the last 4 numbers of the applicant's social security number or ITIN allows staff to ascertain they have the correct match. Subparagraph (C) requires the applicant's full legal name, defined as last name, first name, middle name, and suffix, and is necessary to confirm the licensee's identification because the applicant's full legal name can then be matched to the month and year of their birth. Subparagraph (D) requires the applicant's month and year of birth and is necessary to confirm the applicant's identity. Because the licensee's full birthdate is already in the Board's records, the specific date of birth is unnecessary and therefore not required.

Subparagraph (E) requires the applicant's current address and phone numbers and gives them the option to provide their email address, however, all other items are both necessary and essential for the Board to communicate with the licensee regarding any issues during the processing of the application, and to mail the retired architect license and wall certificate to the applicant. Subparagraph (F) requires the applicant to provide their legal name as they would like it to appear on the wall certificate and is necessary so staff can put the preferred version of the applicant's name on the wall certificate but provide accurate information to the public regarding the identity of the licensee and reduce requests for corrected certificates from applicants. Subparagraph (G) requires the applicant to provide a statement regarding whether the applicant is engaged in any activity that would require an architect's license and is necessary to establish that the applicant is retired from the practice of architecture and therefore qualified for a retired license (as a licensee in active practice cannot hold a retired license per BPC section 5600.4(b)).

Subparagraph (H) requires the applicant to sign a statement under penalty of perjury that the information they have provided on the application is true and correct and is necessary to ensure that applicants provide accurate information. As a part of the Board's consumer protection mandate and for the benefit of all licensees, the Board does not want to provide retired architect licenses to applicants who do not qualify for the status and title. Retired architect license applicants need to know that if the information they provide the Board is materially false they could be charged with perjury, a felony offense (Penal Code section 115). In addition, the certification under penalty of perjury helps ensure the reliability of the statements to the Board (since certifying under penalty of perjury can have a deterrent effect on those who may be considering not providing true, accurate or complete information), and provides the Board with the option of seeking sanctions and referring the matter to law enforcement in the event that such information is not true, complete or accurate. ["The oath or declaration must be in such form that criminal sanctions of perjury might apply where material facts so declared to be true, are in fact not true or are not known to be true." *In re Marriage of Reese & Guy* (1999) 73 Cal.App.4th 1214, 1223 [holding modified by *Laborde v. Aronson* (2001) 92 Cal.App.4th 459]

Paragraph (2) is necessary to convey in a tangible, straightforward manner, the Board's method for confirming whether the applicant has met all eligibility criteria for a retired license, i.e., the applicant is issued a retired license and wall certificate. In the Board's experience, this proposal authorizes the most accurate process for notifying the public of the status of a licensee who has chosen to retire from the profession.

CCR Section 109.1(c)(1)(A)–(B)

Purpose: BPC section 5600.4 provides:

(d) In order for the holder of a retired license issued pursuant to this section to restore their license to active status, the holder of a retired license shall comply with Section 5600.2 or 5600.3, as applicable.

BPC section 5600.2 states, in pertinent part:

Except as otherwise provided in this chapter, a license which has expired may be renewed at any time within five years after its expiration on filing of application for renewal on a form prescribed by the board, and payment of all accrued and unpaid renewal fees. If a license is renewed more than 30 days after its expiration, the license holder, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter.

CCR section 109.1, subdivision (c), paragraph (1), subparagraphs (A)–(B) implements the requirements for those licensees who wish to restore their retired license to an active status within 5 years after expiration, and thereafter be authorized to practice architecture under that license according to the requirements set forth in BPC section 5600.2, which includes the requirement that the applicant pay the prescribed fees and

complete an application “for renewal on a form prescribed by the Board”. This provision establishes those renewal application requirements, including that a retired licensee may restore their original license to “current” (active) status at any time within 5 years from the expiration date of their original architect license by paying all renewal fees, any appropriate delinquency fees, and submitting to the Board an architect license renewal application, complete with the required specified information and signed under penalty of perjury.

Anticipated Benefits/Rationale: To help ensure that licensees maintain competency and are safe to return to active practice as well as to enable the Board to sustain sufficient funding for oversight, the following minimum requirements for restoration of the license to active status are proposed. Subparagraph (A) is necessary to inform the licensee of the fees they must pay to restore their license if their license retirement date is 5 years ago or less than 5 years ago. Existing law at BPC sections 5600.4 and 5604 require these fees to be paid prior to reactivation of any license, including a delinquent license. However, there are no existing standards that explain that these fees must be paid as part of the eligibility requirements for a retired license. This provision would prescribe those standards to ensure adequate notice to the affected licensees and consistency in the application process. Subparagraph (B), including clauses (i) to (iii), inclusive, requires a retired licensee who has been retired 5 years or less to provide information that is necessary for staff to verify the identity of the individual within the Board’s system (full legal name, contact information, original architect license number), so their architect license may correctly be restored to “current” (active) status.

Clause (i) requires the licensee’s full legal name, defined as last name, first name, middle name, and any suffix and is necessary to confirm the licensee’s identity. Clause (ii) requires the licensee’s current address and phone numbers and gives them the option to provide their email address. This information is necessary and essential for the Board to communicate with the licensee regarding the processing of the application and to ensure all required information is provided to enable the Board to process the application in compliance with this section and BPC sections 5600.2 and 5600.4. Clause (iii) requires the licensee’s original California architect license number and is necessary to match the licensee properly and accurately to their original architect license to update their original license status from retired back to “current” (active) status. Clause (iv) requires the licensee to state whether they have been convicted of a crime or disciplined by another public agency during the time since their last active license renewal and is necessary to satisfy the requirements in BPC sections 5600(c) and 5600.3. A substantially related conviction is grounds for denial of any application pursuant to BPC sections 480, 5551, and 5552. As a result, this question is necessary to determine whether a conviction occurred and whether such conviction is disqualifying.

Clause (v) requires the licensee to state whether they have completed the continuing education (CE) coursework provided in BPC section 5600.05 within the previous two years and is necessary to ensure that the licensee has completed the required coursework. This protects the public by ensuring that the retired architect has completed the required CE courses that an active licensee would have completed and maintain current knowledge in the profession prior to resuming practice.

Clause (vi) requires the licensee to sign a statement under penalty of perjury that the information they have provided on the application is true and correct and is necessary to ensure that licensees provide accurate information. As a part of the Board's consumer protection mandate and for the benefit of all licensees, the Board does not want to return a retired architect to "current" (active) practice who is not qualified to return to practice. Retired architect seeking to obtain a "current" (active) license need to know that if the information they provide the Board is materially false they could be charged with perjury, a felony offense (Penal Code section 115). As discussed above, the certification under penalty of perjury helps ensure the reliability of the statements to the Board and provides the Board with the option of seeking sanctions and referring the matter to law enforcement in the event that such information is not true, complete or accurate.

CCR Section 109.1(c)(2)(A)–(C)

Purpose: BPC section 5600.4 provides:

(d) In order for the holder of a retired license issued pursuant to this section to restore their license to active status, the holder of a retired license shall comply with Section 5600.2 or 5600.3, as applicable.

However, under the provisions of BPC section 5600.3, a license that has not been renewed within 5 years after its expiration may not be "renewed, restored, reissued, or reinstated thereafter." Section 5600.3 further provides that: "The holder of the expired license may apply for and obtain a new license only if he or she pays all of the fees, and meets all of the requirements set forth in this chapter for obtaining an original license...."

To resolve the possible ambiguity between the two statutes, the Board proposes to implement the requirements by treating the retired licensee applicant whose original license expired more than 5 years prior to application for restoration as a new applicant according to the authority in BPC section 5600.3.

CCR section 109.1, subdivision (c), paragraph (2), subparagraphs (A)–(C) establishes that a retired licensee who has been retired more than 5 years must comply with the requirements in subparagraphs (A) – (C) to restore their original license to "current" (active) status. Subparagraph (A) establishes that a licensee retired more than five

years who seeks to restore their active architects license is considered a new candidate and must submit to the Board, subject to the exemptions in BPC section 5600.3, all the information and documentation required by CCR sections 109 (the application requirements for new candidates) and 124.7 requires applicants whose licenses have not been renewed within 5 years after expiration to pass the California Supplemental Examination specified in Section 124, and to pass either all, portions, or none of the Architect Registration Examination, depending upon whether the Board issues the applicant a waiver). This helps ensure consistency in treatment of all expired licensees, including those whose licenses have expired for reasons other than holding a retired license for more than 5 years. Subparagraph (B) requires that a licensee to pay all application fees for examination and for an original license specified in CCR section 144. Subparagraph (C) requires that a licensee shall furnish a full set of fingerprints to the Department of Justice (DOJ) so the Board may conduct criminal history record checks pursuant to BPC section 144.

Anticipated Benefits/Rationale: To help ensure that licensees maintain competency and are safe to return to active practice as well as to enable the Board to sustain sufficient funding for oversight, the following minimum requirements for restoration of the license to active status are proposed. Subparagraph (A) is necessary to inform retired licensees whose retirement date was more than 5 years ago that, subject to the exemptions listed in BPC section 5600.3, they must submit the information and documentation required by CCR section 109 and comply with CCR section 124.7 to obtain an “current” (active) license. Subparagraph (B) is necessary to inform retired licensees whose retirement date was more than 5 years ago of the fees that BPC section 144 requires them to pay to restore their license. Existing law at BPC sections 5600.4 and 5604 requires these fees to be paid prior to reactivation of any license.

Subparagraph (C) is necessary for the Board to obtain a criminal history record check and obtain notifications of subsequent criminal conduct while licensed, which enables the Board to fulfill its consumer protection mandate. This is necessary for the Board to determine whether grounds for denial exist for substantially-related convictions as authorized by BPC sections 480, 5551, and 5552. Penal Code section 11105.2(d) requires the Board to notify the California Department of Justice when a licensee cannot renew or reinstate their licenses; this would include licensees whose licenses have expired per BPC section 5600.3 because they are not capable of being renewed per BPC section 5600.4. The DOJ then stops reporting convictions to the Board. It is therefore necessary to ask applicants whose licenses that cannot be reinstated per BPC section 5600.3 to provide fingerprints because the Board does not otherwise have access to criminal history information and would be unable to verify whether substantially-related convictions, a disqualifying condition, have occurred.

BPC section 5600.3 does not allow a license which is not renewed within 5 years after its expiration to be renewed, restored, reissued, or reinstated. Proposed subdivision (c), paragraph (2) (A) –(C) clarifies that retired architects are held to the standard established in BPC section 5600.3. Retired architects who wish to return to “current” (active) practice after being inactive for more than 5 years must apply as new applicants to ensure they have current knowledge of the practice of architecture and meet the current practice requirements, as a form of quality control and public protection.

CCR Section 109.1(d)

Purpose: CCR section 109.1, subdivision (d) defines the term “expiration date” as either the date an architect’s active license lapsed or became inoperative, or the date the Board issued a retired status license to the licensee, whichever comes first. This allows a holder of a retired license seeking to restore their architect license or return to “current” (active) practice to be able to determine if they are subject to paragraph (1) or paragraph (2) of subdivision (c).

Anticipated Benefits/Rationale: CCR section 109.1, subdivision (d) is necessary to clarify the meaning of the term “expiration date” for retired architect license holders considering a return to active practice. Under BPC section 5600.4, a licensee does not qualify for a retired license unless the license is current and active or capable of being renewed pursuant to Section 5600.2.” So, theoretically, an applicant’s license could be either expired or active when applying for a retired license. Nevertheless, subsection (d) of BPC section 5600.4 permits restoration in compliance with BPC section 5600.2 or 5600.3, which tie restoration timeframes to an “expired” license. To resolve this ambiguity, the Board proposes to define “expiration date” for the purposes of BPC sections 5600.2 or 5600.3 as either when the licensee’s active architect license lapsed or is no longer effective (which communicates in simple terms what “expired” means), or the date the Board issued the licensee a retired status license, whichever comes first. This is to protect consumers from architects who have not practiced architecture for 5 years, no matter which route the architect took to effectuate their decision to cease practicing and retire. This clarifies for retired licensees how to properly calculate how long their license will be considered expired and what requirements that they need to comply with to restore their right to practice.

To reengage in activities in which a “current” (active) license is required, obtaining a new license when the original license has been expired more than 5 years is more cumbersome than restoring an original license that has been expired for less than 5 years. This public protection mandate was established by the legislature by passing BPC section 5600.3, and the Board must maintain this distinction to protect the public. When a retired architect license is issued, the original architect license becomes automatically ineffective, regardless of whether or not that license was still active at the

time the retired architect license was issued. Additionally, the retirement date of an architect's original license is also considered the "expiration date" for purposes of BPC section 5600.3, because from that date forward, the architect should cease practicing. Setting the "expiration date" as either the date the license lapsed/became ineffective, or when the retired license was issued, whichever occurs first, clarifies for licensees how the Board calculates a 5 year period of non-practice. This is important to licensees because more than 5 years of non-practice impacts what a licensee must do to obtain a "current" (active) architect's license after that much time of non-practice.

CCR Section 144 – Fees

Purpose: CCR section 144 establishes the fees the Board charges for its services. The purpose of amending CCR section 144 is to make specific BPC 5604(h) by specifying a \$40 fee will be required for issuance of a retired license. Holding a retired license will enable a licensee to use the title "architect retired" or "retired architect." Establishing the amount of the fee will enable the Board to issue retired licenses.

Anticipated Benefits: Adopting a new \$40 fee for a retired license will enable the Board to issue retired architect licenses. The proposed revision to CCR section 144 establishes the fee required to become a retired architect and enable licensees to use the protected titles of "architect retired" or "retired architect" at \$40. The distinction of a formal "retired" designation will provide the public an easy way to confirm that a licensee's retirement was voluntary and not compelled by disciplinary action, provide licensees an appropriate distinction for their service in the profession, create an incentive for licensees to avoid suspension, revocation, or other restriction on their licenses at the end of their professional career in order to earn that distinction, and enable the Board to better focus its oversight and enforcement activities on actively practicing licensees. The establishment of a \$40 fee is an amount lower than the cost to the Board (see Underlying Data and Fee Analyses) and will encourage more licensees to apply for retired licenses at the end of their professional career instead of letting their licenses expire, resulting in greater benefits to the public for the reasons stated above.

Rationale: The proposed regulation would set the fee for issuance of a retired architect license at \$40 because the Board determined \$40 to be a reasonable fee even if it would be slightly less than the actual costs to provide the service to retiring architects (the actual cost is \$47 per application, please see Underlying Data – Fee Analyses and Fiscal Impact Statements below). The Board concluded the lower fee would likely result in an increase in the number of architects who would consider formally retiring their license and consequently results in better public protection.

This \$40 fee is consistent with BPC section 5604, which authorizes the Board to prescribe a fee for a retired license at any amount that does not exceed the fee for issuance of an original license. Since the Board is prohibited from charging more than

the estimate workload cost of \$47, rounding down to \$40 is reasonable to be consistent with existing fee levels (rounding the number to the nearest tenth is current process), and reduce any licensee confusion by setting a simple fee charge that is easy to administer.

Architects who have asked the Board to establish a retired license fee to allow them to use the title have continued to pay the \$300 renewal fee while waiting for this change. The State of California State Administrative Manual (SAM), section 8752, provides that it is state policy for departments to recover full costs whenever goods or services are provided to others. Although section 8752 of the SAM specifies that full costs include “all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided,” the Board views charging retired license applicants \$40 is reasonable to be consistent with existing fee levels (rounding the number to the nearest tenth is current process), and reduce any licensee confusion by setting a simple fee charge that is easy to administer.

Underlying Data

1. February 27, 2019 Board Meeting Agenda and Meeting Minutes
2. June 12, 2019 Board Meeting Agenda; relevant Meeting Materials; and Meeting Minutes
3. September 11, 2019 Board Meeting Agenda; relevant Meeting Materials; and Meeting Minutes
4. December 11, 2019 Board Meeting Agenda; relevant Meeting Materials; and Meeting Minutes
5. September 21, 2021 Board Meeting Agenda, relevant Meeting Materials, and Meeting Minutes
6. California Architects Board -- Retired License Fee Analyses:
 - a. California Architects Board Economic Analysis - Retired License Fee Table
 - b. California Architects Board Fiscal Analysis - Retired License Fee Table
 - c. California Architects Board -- Retired License Status Revenues Table
 - d. California Architects Board --Retired License Fee Workload Analysis Table

Business Impact

The Board has made an initial determination that the proposed regulations will not have a significant adverse economic impact on businesses. This initial determination is based on the following facts:

There is no business impact because this proposed regulation will establish a regulation for the placement of a license on a retired status for an architect who is not actively engaged in practice or any activity that requires them to be licensed by the Board. Since architects currently choose to allow their licenses to lapse or cancel when they retire,

there would be no effect on businesses when an individual chooses merely to change their license title to “retired.”

The Board has approximately 21,934 licensees for the current fiscal year. The Board anticipates approximately 43 licensees to request retired status during the first two years of implementation, and approximately 10 licensees to request retired status annually thereafter. Individuals that place their license in a retired status would have to pay a one-time fee of forty dollars (\$40) to process the application. The Board assumes these individuals would otherwise allow their active license to expire upon retiring and not incur additional costs.

To restore a retired status license to active, the licensee would have to pay the renewal fee of \$300, as well as any delinquency fee (if applicable). The \$300 would be a bi-annual cost for the duration of the active status. However, existing law already requires that licensees who wish to reactivate their license have to pay these fees. As a result, this regulation will not cause any individual to incur any additional costs as a result of this regulatory proposal.

Economic Impact Assessment

This regulatory proposal will have the following effects:

- It will not create or eliminate jobs within the State of California because the regulations are aimed at licensees who are choosing to leave the profession by retiring. Since architects currently choose to renew or allow their licenses to lapse or cancel when they retire, there would be no effect on the workforce related to a mere change in title to “retired.”
- It will not create new businesses or eliminate existing business within the State of California because the regulations are aimed at licensees who are choosing to leave the profession by retiring. Since architects currently choose to renew or allow their licenses to lapse or cancel when they retire, there would be no effect on businesses due to these regulations.
- It will not affect the expansion of businesses currently doing business within the State of California because the regulations are aimed at licensees who are already choosing to leave the profession by retiring. The proposal will simply establish a regulation for the placement of a license on a retired status for an architect who is not actively engaged in practice as an architect or any activity that requires them to be licensed by the Board and meets other requirements.
- This regulatory proposal benefits the health and welfare of California residents by providing a benefit for licensees who choose to leave the profession by retiring and to accurately reflect that status in the Board’s public record. Further, if a consumer is searching for an architect that they have seen through the public

data base, if a “retired” status is shown the consumer would know the architect is no longer allowed to practice. This proposal would also alleviate confusion for the public regarding the true status of an individual who does not wish to abandon his or her license, but rather simply retire from practice.

- This regulatory proposal does not affect worker safety because it establishes a fee and process for applying for a retired license as well as restoring that license to active status. It does not involve worker safety.
- This regulatory proposal does not affect the state’s environment because it establishes a fee and process for applying for a retired license as well as restoring that license to active status. It does not involve environmental issues.

The Board anticipates approximately 43 licensees will opt for the retired status during the first two years of implementation, and approximately 10 licensees will opt for the retired status annually thereafter. These individuals will be required to pay a one-time fee of forty dollars (\$40) to process the application, which results in costs ranging from \$400 to \$1,720 per year and up to \$6,640 over a ten-year period as follows:

Retired License Status (one-time registration)														
Registration and License Type	Applicants Per Year	Fee Costs Per Year	Years Ongoing										Total	
			1	2	3	4	5	6	7	8	9	10		
Retired License	Various	-	43	43	10	10	10	10	10	10	10	10	10	
Retired License Status (one-time registration)	-	\$40	\$1,720	\$1,720	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$6,640
Total Costs:			\$1,720	\$1,720	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$6,640

Fiscal Impact Assessment

The Board estimates it takes 30 minutes for an Office Technician to process each application with total costs of \$47 per licensee, which results in costs ranging from \$470 for 10 applicants and up to \$2,021 for 43 applicants per year and up to \$7,802 over a ten-year period as follows:

Retired License Status													
Registration and License Type	Costs	Years Ongoing										Total	
		1	2	3	4	5	6	7	8	9	10		
Retired License		1	2	3	4	5	6	7	8	9	10		
Applicants per year		43	43	10	10	10	10	10	10	10	10	10	166
Licensing Workload* - 30 minutes	\$37	\$1,591	\$1,591	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$370	\$6,142
Certificate	\$5	\$215	\$215	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$830
Materials and Postage	\$5	\$215	\$215	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$830
Total Costs:		\$47	\$2,021	\$2,021	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$470	\$7,802

*Office Technician (approximately \$73 per hour - includes DCA distributed costs)

The Board notes the total reported costs (\$47) to provide the retired license status certificate is greater than the fee amount (\$40) to be charged to applicants. The Board is opting to charge a lower fee amount to retiring licensees, in part, because:

- Any workload and costs are minor as explained above (30 minutes for an Office Technician to process)

- Any additional revenues would be minimal
- The Board believes it is an important public policy to acknowledge and provide a courtesy to these individuals

Applicants will be required to pay a one-time fee of \$40, which results in annual revenues ranging from \$400 to \$1,720 per year and up to \$6,640 over a ten-year period as follows:

Retired License Status Revenues													
Registration and License Type	Applicants Per Year	Fee Costs Per Year	Years Ongoing										
Retired License			1	2	3	4	5	6	7	8	9	10	Total
Applications per year	Various	-	43	43	10	10	10	10	10	10	10	10	166
Retired License Status (one-time registration)		\$40	\$1,720	\$1,720	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$6,640
Total Revenues:			\$1,720	\$1,720	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$6,640

This fiscal analysis does not attempt to estimate revenue possibly lost when an architect chooses to retire and pay a \$40 fee instead of a \$300 renewal fee. The Board is assuming that an architect applying for a retired license would otherwise choose to not renew and pay no fee at all.

Specific Technologies or Equipment

This regulation does not mandate the use of specific technologies or equipment.

Consideration of Alternatives

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be less burdensome to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

To date, the following options were considered by the Board and rejected:

- Option 1: To pursue a regulatory change that waives the fee for a retired license. This would cause the Board to be in violation of the State of California SAM 8752 by charging less than the cost to assign and produce the retired license. For this reason, the Board rejected the option.