

FINAL STATEMENT OF REASONS

Hearing Date: November 28, 2022

Subject Matter of Proposed Regulations: Architect Fees

Section(s) Affected: California Code of Regulations (CCR), Title 16, Division 2, Article 10, Section 144

Request for Effective Date Upon Filing

Pursuant to Government Code section 11343.4, subdivision (b)(3), the California Architects Board (Board) requests that the proposed amendments to California Code of Regulations (CCR), title 16, section 144, to amend subsections (d) and (e), to increase the fee for an original license, the fee for an original license issued less than one year before the date on which it will expire, and the biennial renewal fee, become effective immediately upon filing with the Secretary of State. As is detailed in the Initial Statement of Reasons and its underlying data, the Board is currently facing fiscal insolvency. Licensees have been aware of this proposal through noticed, open Board meetings for a number of months and an immediate effective date should not come as a surprise.

Updated Information

The California Architects Board (CAB) Fees regulatory proposal was approved by the Board at its February 18, 2022, meeting.

Notice of the proposed language was published and the 45-day public comment period ran from September 23, 2022, to November 8, 2022. A request for a public hearing was received and Board staff held a hearing on November 28, 2022, at which no comments were submitted. Seven written public comments were received, three which were directed at obtaining documents and information about the rulemaking and are thus not directed at the text of the proposed action, and four which expressed opposition, summarized and responded to, below. After review of the comments by the Board at its December 9, 2022 meeting, no changes to the text were deemed necessary.

Summary of Comments Received and Responses

Comment by Ingrid Baisch: Ms. Baisch wrote “Owch. I wish I could get a 25% raise...”

Board Response: The Board has determined that the current fees, which are the board’s only funding source, do not adequately support the functions of the Board to regulate the profession, creating a structural imbalance which, if present trends continue, will lead to Board insolvency by FY 2023-2024. While the Board appreciates that the proposed increases seem drastic, the Board must take the financially prudent step of increasing fees as outlined in this regulatory proposal. The Board has determined that no text changes will be made in response to this comment.

Comment by Chris McFadden: Mr. McFadden expressed concern about doubling renewal fees “on the back” of increased continuing education. He went on to indicate he was not in favor of the fee increase and explained: “I know the General Public thinks all architects are wealthy but that is simply NOT the case. The regulatory environment in this State is so excessive already and having to deal with employees, workman’s comp, E and O, ad nauseam along with inflation, gas prices, yadda, yadda.”

Board Response: The Board incorporates the response to Ms. Baisch, above.

Comment by John Weaver: Mr. Weaver wrote “The proposal to increase the license fees 33 and 1/3% does not seem warranted. Please accept this letter as a request that the Board not increase the fees.”

Board Response: The Board incorporates the response to Ms. Baisch, above.

Comment by Kristopher Conner: Mr. Connor wrote: “I am writing to express my concern over this proposed increase in license fees. A 33% single increase seems absurd, even amidst the current economic environment. I hope there will be a hearing where members of the profession will be allowed to voice concerns and objections.”

Board Response: The Board incorporates the response to Ms. Baisch, above. Additionally, as Mr. Connor’s comment could be interpreted as a request for a public hearing on the regulatory proposal, a hearing was noticed and held on November 28, 2022.

Local Mandate

A mandate is not imposed on local agencies or school districts.

Small Business Impact

As indicated in the Initial Statement of Reasons, this action will impact small businesses to the extent that a licensee is in a small business and that small business pays the licensee’s proposed updated license fees. For the reasons discussed in the Notice, Initial Statement of Reasons, as well as the responses to comments in this Final Statement of Reasons, above, the Board has not found any alternative that would protect the public and obviate or mitigate a fee increase.

Anticipated Benefits

This regulatory proposal will allow the Board to remain solvent while implementing new requirements in statute and continuing to carry out its consumer protection mandate.

This regulatory proposal will benefit the health and welfare of California residents as it allows the Board to continue to protect consumers through its licensing, enforcement, and educational activities.

Consideration of Alternatives

No reasonable alternative which was considered, including those discussed in the Initial Statement of Reasons and those brought up by the comments, or that has otherwise been identified and brought to the attention of the board would be more effective in carrying out the purpose for which it was proposed or would be as effective and less burdensome to affected private persons than the adopted regulation or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.