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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

October 14, 1999

Honorable David M. DuTot, LA, Chairman
State Board of Landscape Architects
116 Pine Street
Harrisburg, PA 17105

Re: IRRC Regulation #16A-615 (#2049)
State Board of Landscape Architects
Application Fees

Dear Chairman DuTot:

Enclosed are our Comments on the subject regulation. They are also available on our website at <http://www.irrc.state.pa.us>.

Our Comments list objections and suggestions for consideration when you prepare the final version of this regulation. We have also specified the regulatory criteria which have not been met. These Comments are not a formal approval or disapproval of the proposed version of this regulation.

If you would like to discuss these Comments, please contact Mary Lou Harris at 772-1284.

Sincerely,

A handwritten signature in black ink that reads "Robert E. Nyce".

Robert E. Nyce
Executive Director

REN:kcg

Enclosure

cc: Joyce McKeever
April McClaine
Honorable Kim Pizzingrilli
Dorothy Childress
Office of General Counsel
Office of Attorney General
Pete Tartline

COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION

ON

STATE BOARD OF LANDSCAPE ARCHITECTS REGULATION NO. 16A-615

APPLICATION FEES

OCTOBER 14, 1999

We have reviewed this proposed regulation from the State Board of Landscape Architects (Board) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act (71 P.S. § 745.5a(h) and (i)) specify the criteria the Commission must employ to determine whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to fiscal impact and clarity. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

Section 15.12. Fees. - Fiscal impact and Clarity

Administrative overhead costs

In the proposed regulation's Fee Report forms, there are significant differences in the costs covered by different fees except for "Administrative Overhead" costs. According to the Preamble, the Bureau of Professional and Occupational Affairs (BPOA) calculated the allocated share of overhead cost for each fee category by dividing total overhead costs by the number of active licensees. This method of overhead cost allocation is not unreasonable and has been consistently applied. On the other hand, the cost allocations are based on estimates of the actual time BPOA staff spends performing the tasks related to each fee.

For overhead cost allocations, there appears to be no relationship to the services covered by the fees or frequency of fee payments. Therefore, there is no indication that the fees will recover actual or projected overhead costs. In addition, the allocated costs are based on past expenditures rather than estimates or projections of future expenditures. There is no certainty that the fees' "projected revenues will meet or exceed projected expenditures" pursuant to Section 905(a) of the Landscape Architects' Registration Law (63 P.S. §905(a)).

We question the use of a constant overhead cost allocation that appears to be unrelated to the actual costs of activities relating to the different fees. Even though this process was used to determine other fees, why should BPOA maintain this approach? The Board and BPOA should specifically identify the overhead costs, or portion of the total overhead to be recouped by these fees, and review the methodology for allocating these overhead costs. Is it the Board's goal to allocate all overhead costs by category to each fee? If so, we do not believe the current allocation formula gives the desired result.

Differing overhead costs

The administrative overhead cost charged for processing applications for licensure and temporary permits is \$32.96. The administrative overhead cost charge for the certification of licensure or examination scores and verification of license or permit is \$9.76. The Board should explain why the administrative overhead cost for processing applications is different than the administrative overhead cost for processing certifications and verifications.

Certifications of licenses and verifications of licenses (and permits)

There is a proposed increase in the fee for certification of licensure or examination scores, from \$15 to \$25, and a proposed new fee of \$15 for verification of license or permit. In the Fee Report Form for certification, the staff processing time is .75 of an hour, at an assigned cost of \$15.23. In the Fee Report Form for verification, the staff processing time is .08 of an hour, at an assigned cost of \$1.62. The assigned administrative overhead cost for both is \$9.76.

The descriptions of the processing functions performed by staff for certifications and verifications are very similar, as noted by the House Professional Licensure Committee. Yet, the fee report forms indicate that it takes 40 minutes longer to process a certification than to process a verification. The Board should provide revised information on the fee report forms submitted with the final-form regulation to more clearly explain the 40-minute time differential in these two functions.