

**TITLE 16, DIVISIONS 5 AND 29. BOARD FOR PROFESSIONAL ENGINEERS, LAND  
SURVEYORS, AND GEOLOGISTS  
DEPARTMENT OF CONSUMER AFFAIRS**

**INITIAL STATEMENT OF REASONS**

**Hearing Date:** No hearing scheduled for this proposed action.

**Subject Matter of Proposed Regulations:** Fees

**Sections Affected:** Section 407 of Division 5 and section 3005 of Division 29 of Title 16, California Code of Regulations (CCR)<sup>1</sup>.

**Background and Statement of the Problem:**

The Board for Professional Engineers, Land Surveyors, and Geologists (Board) licenses, regulates, and investigates complaints against the Board's professions in California. These licensing categories include professional engineers, professional land surveyors, professional geologists, and professional geophysicists, totaling over 185,000 licensees. It is the Board's duty to enforce and administer the Professional Engineers Act (Chapter 7 of Division 3, commencing with section 6700, et seq. of the Business and Professions Code (BPC)), Professional Land Surveyors' Act (Chapter 15 of Division 3, commencing with section 8700, et seq. of the BPC), and Geologist and Geophysicist Act (Chapter 12.5 of Division 3, commencing with section 7800, et seq. of the BPC) (collectively, Acts). The Board is authorized to establish necessary rules and regulations for the enforcement of the Acts and the laws subject to its jurisdiction (BPC §§ 6716, 7818, 8710).

BPC sections 6716, 7818, and 8710 authorize the Board to adopt, amend, or repeal rules and regulations which are reasonably necessary to carry out the provisions of their respective chapters. BPC sections 6799, 7887, and 8805 prescribe and establish the statutory limits for the fees that the Board may charge and collect.

The Board's funding source is classified as special funds and does not receive general fund support. The Board's fund is appropriated by the governor, and the Board operates within the budget established by the legislature. The Board's current fee structure was last adjusted in 2021; however, the Board's fee structure no longer supports the actual costs of services provided today. In recent years, the cost incurred to fulfill a service is not equal to the current fees associated with that service, and the Board's fund will become structurally imbalanced because the projected revenues are less than expenditures. The Board's major sources of revenue come from licensing and renewal fees, with the maximums set by statute.

CCR 407(a)(1)-(5) and 3005(a)(1)-(3) set forth the Board's fees for initial applications.

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<sup>1</sup> All CCR references are to Title 16 unless otherwise noted.

16 CCR 407(b)(1)-(5) and 3005(b)(1)-(3) set forth the Board's fees for examinations.

16 CCR 407(c) and 3005(d) set forth the Board's fees for biennial renewals.

16 CCR 407(d) and 3005(g) set forth the Board's fees for retired licenses.

The Board's last fee increase was effective on January 1, 2021, resulting in the Board recognizing an almost \$4 million increase in revenue for fiscal year (FY) 2021-22 compared to FY 2020-2021. The Board also reported an 18% increase in initial applications for that period. However, the Board's revenue projections are flat for the next five years as renewal transaction volumes have been flat and initial application volumes have stabilized after recent spikes. Expenses are projected at a 3% increase over the Budget Act of 2024<sup>2</sup>, and, based on the Board's current fee structure, this will create a significant structural fund imbalance as early as FY 2025-26. Analysis of the Board's fund condition statement confirms the Board must implement budgetary adjustments now by addressing fees among all professions it regulates to protect the Board's fund from becoming insolvent as projected in FY 2025-26 under the Board's current fee structure. Analysis of the Board's fund balance measured by months in reserve (MIR) projects that if the Board does not raise fees, the Board's budget will become insolvent in FY 2025-26, with a deficit of \$-1.7 million and \$-1.4 MIR. In FY 2026-27, this deficit will be approximately \$-5.3 million and \$-4.2 MIR. **Attachment II** (Item 8 of Underlying Data, BPELSG Fund Condition 2023-24 through 2026-27) includes the Board's fund condition updated with the 2025-26 Governor's Proposed Budget.

Unless additional revenue is raised, the Board will continue to spend more than it brings in and will become insolvent. Additionally, future unknown events, such as expenses incurred for large enforcement cases, increases in DCA pro rata costs, and increases in statewide general administrative costs could further deplete the fund, adding additional pressure to the Board's ability to meet its mandate and mission.

To address the Board's potential insolvency and help alleviate the Board's expected structural imbalance, the Board proposes increasing the Board's initial license application fees, examination fees, biennial license renewal fees, and in-training application fees. See **Attachment I** (Item 7 of Underlying Data, Restructured Fees Chart) for description of fee changes.

### **Anticipated benefits from this regulatory action:**

This regulatory proposal seeks to make amendments to the Board's fee schedule in CCR sections 407 and 3005, which will help ensure the Board has sufficient funding to meet its consumer protection mandate, while also meeting the Board's mission to protect the

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<sup>2</sup> The Budget Act allows for minor budget adjustments that include the expenditure authority and is the predominant method by which appropriation is made. It must be introduced by January 10<sup>th</sup> and there is a constitutional requirement for the legislature to pass the Budget Bill to the Governor by June 15<sup>th</sup>. The Budget Bill then becomes the Budget Act upon the Governor's signature.

public's safety and property by promoting standards for competence and integrity through licensing and regulating the Board's professions.

The Board anticipates the proposed fee structure will balance the Board's fund and maintain appropriate fund reserves effective no later than July 1, 2026. This will help the Board remain solvent, align fees with the full cost of operational services, and facilitate the effective administration of the Board while meeting the needs of the public, applicants, and licensees. The proposed fees will apply to the renewal of licenses that expire after the effective date of the amendments to the regulations and to all other specified fees to be charged as of the effective date of the amendments to the regulations.

The Board must take immediate action to raise the regulatory fees it collects to increase the Board's revenue and have funding available to continue the Board's daily functions, enforcement, and licensing operations without interruptions.

This regulatory proposal will benefit the health and welfare of California residents as it allows the Board to continue to protect consumers through licensing and enforcement activities. This regulatory proposal does not affect worker safety, or the state's environment.

**Specific purpose of, and rationale for, each adoption, amendment, or repeal:**

The Board last raised fees in 2021 and is projecting that a structural imbalance will occur in FY 2025-26 if fees remain at their current level, which will lead to insolvency.

This proposed regulation would increase all of the Board's initial license application fees, examination fees, and biennial license renewal fees to \$250, all in-training application fees to \$100, and all retired license fees to \$100, which will help alleviate the Board's expected structural imbalance. The Board completed a workload cost analysis to support this proposal (**see Underlying Data**).

The Board is proposing the following changes to increase fees:

**Amend Section 407. Fees.**

Purpose: This proposal amends CCR section 407 to increase initial license, examination, renewal, and retired license fees for professional engineers and land surveyors as follows: increase application fees to \$250, increase in-training certification fees to \$100, increase examination fees to \$250, increase biennial renewal fees to \$250 for licenses that expire on or after January 1, 2026, and increase retired license fees to \$100. The proposed fee increases are at or below the statutory maximums set forth in BPC sections 6799 and 8805.

Rationale: Adopting this regulatory proposal will ensure the Board's future fiscal solvency by making sufficient resources available to meet the Board's consumer protection

mandate and to maintain Board operations. Updating this section and section 3005 (Fees for Geologist and Geophysicists) concurrently to mirror the same fees will make both sections consistent for all disciplines for which the Board offers licensure.

Specifically, the Board is proposing the following changes:

### **Subdivision (a) (1)**

Purpose: This proposal amends section 407 (a) (1) to increase the structural engineer application fee from \$175 to \$250.

Rationale: BPC section 6799 states, “[t]he amount of the fees prescribed by this chapter shall be fixed by the board in accordance with the following schedule: . . . The fee for filing each application for licensure as a professional engineer and each application for authority level designation at not more than four hundred dollars (\$400).” The proposed amendment will keep this regulation consistent with the controlling statute and will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (a) (2)**

Purpose: This proposal amends section 407 (a) (2) to increase the geotechnical engineer application fee from \$175 to \$250.

Rationale: BPC section 6799 states, “[t]he amount of the fees prescribed by this chapter shall be fixed by the board in accordance with the following schedule: . . . The fee for filing each application for licensure as a professional engineer and each application for authority level designation at not more than four hundred dollars (\$400).” The proposed amendment will keep this regulation consistent with the controlling statute and will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (a) (3)**

Purpose: This proposal amends section 407 (a) (3) to increase the professional engineer application fee from \$175 to \$250.

Rationale: BPC section 6799 states, “[t]he amount of the fees prescribed by this chapter shall be fixed by the board in accordance with the following schedule: . . . The fee for filing each application for licensure as a professional engineer and each application for authority level designation at not more than four hundred dollars (\$400).” The proposed amendment will keep this regulation consistent with the controlling statute and will ensure the Board’s future fiscal solvency by making sufficient resources available to

meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

#### **Subdivision (a) (4)**

Purpose: This proposal amends section 407 (a) (4) to increase the professional land surveyor application fee from \$175 to \$250.

Rationale: BPC section 8805 states, "[t]he amount of the fees prescribed by this chapter shall be fixed by the board in accordance with the following schedule: . . . The fee for filing each application for licensure as a land surveyor at not more than four hundred dollars (\$400)." The proposed amendment will keep this regulation consistent with the controlling statute and will ensure the Board's future fiscal solvency by making sufficient resources available to meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

#### **Subdivision (a) (5)**

Purpose: This proposal amends section 407 (a) (5) to increase the engineer-in-training and land surveyor-in-training application fee from \$75 to \$100.

Rationale: BPC sections 6799(a)(1) and 8805(a) state the application fee for certification as an engineer-in-training or a land surveyor-in-training cannot be more than one hundred dollars (\$100). The proposed amendment will keep this regulation consistent with the controlling statute and will ensure the Board's future fiscal solvency by making sufficient resources available to meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

#### **Subdivision (b) (1)**

Purpose: This proposal amends section 407 (b) (1) to increase the California Special Civil Seismic Principles examination fee from \$175 to \$250.

Rationale: BPC section 6799(a)(2) states "[t]he fee to take an examination administered by a public or private organization pursuant to Section 6754 [(examinations in general)] shall be no greater than the actual cost of the development and administration of the examination." The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board's practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board's future fiscal solvency by making sufficient resources

available to meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (b) (2)**

Purpose: This proposal amends section 407 (b) (2) to increase the California Special Civil Engineering Surveying examination fee from \$175 to \$250.

Rationale: BPC section 6799(a)(2) states "[t]he fee to take an examination administered by a public or private organization pursuant to Section 6754 [(examinations in general)] shall be no greater than the actual cost of the development and administration of the examination." The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board's practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board's future fiscal solvency by making sufficient resources available to meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (b) (3)**

Purpose: This proposal amends section 407 (b) (3) to increase the Geotechnical Engineering examination fee from \$175 to \$250.

Rationale: BPC section 6799(a)(2) states "[t]he fee to take an examination administered by a public or private organization pursuant to Section 6754 [(examinations in general)] shall be no greater than the actual cost of the development and administration of the examination." The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board's practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board's future fiscal solvency by making sufficient resources available to meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (b) (4)**

Purpose: This proposal amends section 407 (b) (4) to increase the California State-Specific Land Surveying examination fee from \$175 to \$250.



**Rationale:** BPC section 8805(b) states “[t]he fee to take an examination administered by a public or private organization pursuant to Section 8745 [(examinations in general)] shall be no greater than the actual cost of the development and administration of the examination.” The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board’s practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (b) (5)**

**Purpose:** This proposal amends section 407 (b) (5) to increase the Traffic Engineering examination fee from \$175 to \$250.

**Rationale:** BPC section 6799(a)(2) states “[t]he fee to take an examination administered by a public or private organization pursuant to Section 6754 [(examinations in general)] shall be no greater than the actual cost of the development and administration of the examination.” The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board’s practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (c)**

**Purpose:** This proposal amends the two-year biennial license renewal fee for licenses that expire on or after January 1, 2021, to apply instead to licenses that expire on or after January 1, 2026, and to increase the fee from \$180 to \$250.

**Rationale:** BPC section 6799(a)(3) states “[t]he renewal fee for each branch of professional engineering in which licensure is held, and the renewal fee for each authority level designation held, [shall be fixed by the board] at no more than four hundred dollars (\$400). BPC section 8805(c) similarly states “[t]he renewal fee for a land surveyor [shall be fixed by the board] at not more than four hundred dollars (\$400).” The proposed amendment will keep this regulation consistent with the controlling statute and will ensure the Board’s future fiscal solvency by making sufficient resources available to

meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced. Further, amending this subdivision is necessary to provide notice of the updated year in which the renewal fee becomes effective given the anticipated adoption of this regulatory action.

### **Subdivision (d)**

Purpose: This proposal amends section 407 (d) to increase the retired license fee from \$75 to \$100.

Rationale: BPC section 6799(a)(4) states "[t]he fee for a retired license [shall be fixed by the board] at not more than 50 percent of the professional engineer application fee in effect on the date of application." BPC section 8805(d) states the same with respect to the retired license fee for a professional land surveyor. The proposed application fees for a professional engineer and professional land surveyor license is \$250, as described above for subdivisions (a)(1)-(a)(4) of CCR section 407. Accordingly, 50 percent of the application fee amounts to \$125, and the proposed retired license fee of \$100 is well within this limit and consistent with the controlling statute. The proposed amendment will ensure the Board's future fiscal solvency by making sufficient resources available to meet the Board's consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Amend Section 3005. Fees.**

Purpose: This proposal amends CCR section 3005 to increase initial application, examination, renewal application, and retired license fees for geologists and geophysicists as follows: increase application fees to \$250, increase in-training application fees to \$100, increase examination fees to \$250, increase biennial renewal fees to \$250 for licenses that expire on or after January 1, 2026, and increase retired license fees to \$100. The proposed fee increases are at or below the statutory maximums set forth in BPC section 7887.

Rationale: Adopting this regulatory proposal will ensure future fiscal solvency by making sufficient resources available to meet the Board's consumer protection mandate and to maintain Board operations. Updating this section and Section 407 (Fees for Professional Engineers and Professional Land Surveyors) concurrently to mirror the same fees will make the sections consistent for all disciplines for which the Board offers licensure.

Specifically, the Board is proposing the following changes:

### **Subdivision (a) (1)**

Purpose: This proposal amends section 3005 (a) (1) to increase the professional geologist and professional geophysicist application fee from \$175 to \$250.



**Rationale:** BPC section 7887(a) states “[t]he amount of the fees prescribed by this chapter shall be fixed by the board in accordance with the following schedule: . . . The fee for filing an application for licensure as a geologist or a geophysicist . . . shall be fixed at not more than two hundred fifty dollars (\$250).” The proposed amendment will keep this regulation consistent with the controlling statute, increasing the fee to the statutory maximum, and will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (a) (2)**

**Purpose:** This proposal amends section 3005 (a) (2) to increase the specialty geologist and specialty geophysicist application fee from \$175 to \$250.

**Rationale:** BPC section 7887(a) states “[t]he amount of the fees prescribed by this chapter shall be fixed by the board in accordance with the following schedule: . . . The fee for filing an application for . . . certification as a specialty geologist or a specialty geophysicist shall be fixed at not more than two hundred fifty dollars (\$250).” The proposed amendment will keep this regulation consistent with the controlling statute, increasing the fee to the statutory maximum, and will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (a) (3)**

**Purpose:** This proposal amends section 3005 (a) (3) to increase the geologist-in-training application fee from \$75 to \$100.

**Rationale:** BPC section 7887(a) states “[t]he amount of the fees prescribed by this chapter shall be fixed by the board in accordance with the following schedule: . . . The fee for filing an application for certification as a geologist-in-training shall be fixed at not more than one hundred dollars (\$100).” The proposed amendment will keep this regulation consistent with the controlling statute, increasing the fee to the statutory maximum, and will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (b) (1)**

**Purpose:** This proposal amends section 3005 (b) (1) to increase the California specific

geologist examination fee from \$175 to \$250.

**Rationale:** BPC section 7887(e) states “[e]ach applicant for licensure as a geologist shall pay an examination fee fixed at an amount equal to the cost to the board to administer the examination described in subdivision (d) of Section 7841.” The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board’s practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (b) (2)**

**Purpose:** This proposal amends section 3005 (b) (2) to increase the geophysicist examination fee from \$175 to \$250.

**Rationale:** BPC section 7887 (f) states “[e]ach applicant for licensure as a geophysicist . . . shall pay an examination fee fixed by the board at an amount equal to the actual cost to the board for the development and maintenance of the written examination.” The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board’s practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

### **Subdivision (b) (3)**

**Purpose:** This proposal amends section 3005 (b) (3) to increase the specialty geologist and specialty geophysicist examination fee from \$175 to \$250.

**Rationale:** BPC section 7887 (f) states “[e]ach applicant for licensure as a geophysicist . . . shall pay an examination fee fixed by the board at an amount equal to the actual cost to the board for the development and maintenance of the written examination.” The actual cost of examination development and administration is \$539. The proposed amendment will keep this regulation consistent with the controlling statute and the Board’s practice of setting the examination fee below the actual cost of development and administration to lower the barrier to entry for new applicants, who often lack the earning capacity of already licensed professionals. The proposed amendment will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer

protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

#### **Subdivision (d)**

Purpose: This proposal amends the two-year biennial license renewal fee for licenses that expire on or after January 1, 2021, to apply instead to licenses that expire on or after January 1, 2026, and to increase the fee from \$180 to \$250.

Rationale: BPC section 7887(b) states “[t]he renewal fee for a geologist or for a geophysicist shall be fixed at not more than four hundred dollars (\$400).” BPC section 7887(c) states the same for specialty geologist or specialty geophysicist renewal fees. The proposed amendment will keep this regulation consistent with the controlling statute and will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced. Further, amending this subdivision is necessary to provide notice of the updated year in which the renewal fee becomes effective given the anticipated adoption of this regulatory action.

#### **Subdivision (g)**

Purpose: This proposal amends section 3005 (g) to increase the retired license fee from \$75 to \$100.

Rationale: BPC section 7887 (g) states “[t]he fee for a retired license shall be fixed at not more than 50 percent of the fee for filing an application for licensure as a geologist or a geophysicist in effect on the date of application for a retired license.” The proposed application fee for a geologist or a geophysicist is \$250, as described above in subdivisions (a)(1)-(a)(2) of CCR section 3005. Accordingly, 50 percent of the application fee amounts to \$125, and the proposed retired license fee of \$100 is well below this limit and consistent with the controlling statute. The proposed amendment will ensure the Board’s future fiscal solvency by making sufficient resources available to meet the Board’s consumer protection mandate and maintain Board operations. Also, as referenced above, the Board completed a workload cost analysis to support the increase of fees, which is necessary to prevent the fund from being structurally imbalanced.

#### **Underlying Data**

1. December 19-20, 2024, Agenda and Board Meeting Materials
  - a. Fiscal Impact (workload costs) (see pages 22-25)
2. Minutes from the December 19-20, 2024, Board Meeting
3. February 6-7, 2025, Agenda and Board Meeting Materials
  - a. Fiscal Impact (workload costs) (see pages 18-22)

4. Minutes from the February 6-7, 2025, Board Meeting
5. May 29-30, 2025, Agenda and Board Meeting Materials
  - a. Retired License (Current workload costs), Fiscal Impact (workload costs) without Subsidized Amount, and Fiscal Impact (workload costs) with Subsidized Amount (see pages 18-25)
6. Minutes from the May 29-30, 2025, Board Meeting (DRAFT)
7. Restructured Fees Chart (Attachment I)
8. BPELSG Fund Condition 2023-24 through 2026-27 (Attachment II)
9. 2023-24 Sunset Review Report and Attachments (see page 23)
10. 2023-24 Sunset Review Background Paper Prepared by the Assembly Business and Professions Committee and the Senate Business, Professions and Economic Development Committee (see page 10 and page 38)
11. 2023-24 Sunset Review Response to Background Paper (see pages 1-3)

### **Business Impact:**

Although the regulation has an economic impact, the Board has made the initial determination that the proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, because the fee increases are considered to be minor compared to the income of most applicants, licensees and registrants.

### **Economic Impact Assessment:**

Increasing fees will benefit California consumers by allowing the Board to recover administrative costs thereby reducing the Board's structural imbalance and ensuring the Board has funds to carry out its consumer protection mandate.

This regulatory proposal will have the following effects:

- It will not create or eliminate jobs within the State of California for the Board's licensees because the regulations change the fees. Changes in fees in the proposed amounts will not create nor eliminate jobs for licensees in California because they are negligible compared to the average salary of licensees.
- It will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses within the State of California because the proposed fees are anticipated to have minimal impact on businesses because the incremental fee increase is negligible compared to the average salary of licensees.
- It does not affect worker safety because the regulations change fees. It does not involve worker safety.

- This regulatory proposal does not affect the state's environment because this proposal is specific to fees, and does not involve the environment.

The regulations are estimated to increase the Board's fees as follows:

<b>CCR Section 407 License Types</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Increase Amount</b>
(a)(1) Structural Engineer	\$175	\$250	\$75
(a)(2) Geotechnical Engineer	\$175	\$250	\$75
(a)(3) Professional Engineer	\$175	\$250	\$75
(a)(4) Professional Land Surveyor	\$175	\$250	\$75
(a)(5) Engineer or Land Surveyor-in-Training Cert	\$75	\$100	\$25
(b)(1) CA Special Civil Seismic Principles Exam	\$175	\$250	\$75
(b)(2) CA Special Civil Engineering Surveying Exam	\$175	\$250	\$75
(b)(3) Geotechnical Engineering Exam	\$175	\$250	\$75
(b)(4) CA State-Specific Land Surveying Exam	\$175	\$250	\$75
(b)(5) Traffic Engineering Exam	\$175	\$250	\$75
(c) Biennial Renewal	\$180	\$250	\$70
(d) Retired License	\$75	\$100	\$25

The regulations are estimated to result in increased costs as follows:

<b>CCR Section 407 License Type</b>	<b>Annual Pop*</b>	<b>Increase Amount</b>	<b>Cost Increase</b>
(a)(1) Structural Engineer	170	\$75	\$12,750
(a)(2) - Geotechnical Engineer	39	\$75	\$2,925
(a)(3) Professional Engineer	3,092	\$75	\$231,900
(a)(4) Professional Land Surveyor	84	\$75	\$6,300
(a)(5) Engineer or Land Surveyor-in-Training Cert	2,938	\$25	\$73,450
(b)(1) CA Special Civil Seismic Principles Exam	156	\$75	\$11,700
(b)(2) CA Special Civil Engineering Surveying Exam	304	\$75	\$22,800
(b)(3) Geotechnical Engineering Exa,	82	\$75	\$6,150
(b)(4) CA State-Specific Land Surveying Exam	221	\$75	\$16,575
(b)(5) Traffic Engineering Exam	77	\$75	\$5,775
(c) - Biennial Renewal	52,107	\$70	\$3,651,900
(d) - Retired License	646	\$25	\$16,150
<b>Total:</b>			<b>\$4,058,375</b>

\*Approximate

The regulations will increase the Board's fees as follows:

<b>CCR Section 3005 License Type</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Increase Amount</b>
(a)(1) Professional Geologist/Geophysicist	\$175	\$250	\$75
(a)(2) Specialty Geologist/Geophysicist Cert	\$175	\$250	\$75
(a)(3) Geologist-in-Training Cert	\$75	\$100	\$25
(b)(1) CA Specific Geologist Exam	\$175	\$250	\$75
(b)(2) Geophysicist Exam	\$175	\$250	\$75
(b)(3) Specialty Geologist/Geophysicist Cert Exam	\$175	\$250	\$75
(d) - Biennial Renewal	\$180	\$250	\$70
(g) - Retired License	\$75	\$100	\$25

The regulations are estimated to result in increased costs as follows:

<b>CCR Section 3005 Subsections and License Type</b>	<b>Annual Population*</b>	<b>Increase Amount</b>	<b>Annual Costs Increase</b>
(a)(1) Professional Geologist/Geophysicist	173	\$75	\$12,975
(a)(2) Specialty Geologist/Geophysicist	33	\$75	\$2,475
(a)(3) Geologist-in-Training Cert	125	\$25	\$3,125
(b)(1) CA Specific Geologist	270	\$75	\$20,250
(b)(2) Geophysicist Exam	6	\$75	\$450
(b)(3) Specialty Geologist/Geophysicist Cert Exam	54	\$75	\$4,050
(d) - Biennial Renewal	3,752	\$70	\$262,640
(g) - Retired License	48	\$25	\$1,200
<b>Total:</b>			<b>\$307,165</b>

\*Approximate

The total proposed regulations are estimated to increase costs to licensees by approximately \$4.4 million per year and up to \$44 million over a ten-year period.



### **Fiscal Impact:**

The Board estimates increased revenues as follows:

CCR 407 – Approximately \$4.1 million per year:

<b>CCR Section 407 License Type</b>	<b>Annual Pop*</b>	<b>Increase Amount</b>	<b>Cost Increase</b>
(a)(1) Structural Engineer	170	\$75	\$12,750
(a)(2) - Geotechnical Engineer	39	\$75	\$2,925
(a)(3) Professional Engineer	3,092	\$75	\$231,900
(a)(4) Professional Land Surveyor	84	\$75	\$6,300
(a)(5) Engineer or Land Surveyor-in-Training Cert	2,938	\$25	\$73,450
(b)(1) CA Special Civil Seismic Principles Exam	156	\$75	\$11,700
(b)(2) CA Special Civil Engineering Surveying Exam	304	\$75	\$22,800
(b)(3) Geotechnical Engineering Exa,	82	\$75	\$6,150
(b)(4) CA State-Specific Land Surveying Exam	221	\$75	\$16,575
(b)(5) Traffic Engineering Exam	77	\$75	\$5,775
(c) - Biennial Renewal	52,107	\$70	\$3,651,900
(d) - Retired License	646	\$25	\$16,150
<b>Total:</b>			<b>\$4,058,375</b>

\*Approximate

CCR 3005 – Approximately \$307,000 per year:

<b>CCR Section 3005 Subsections and License Type</b>	<b>Annual Population*</b>	<b>Increase Amount</b>	<b>Annual Costs Increase</b>
(a)(1) Professional Geologist/Geophysicist	173	\$75	\$12,975
(a)(2) Specialty Geologist/Geophysicist	33	\$75	\$2,475
(a)(3) Geologist-in-Training Cert	125	\$25	\$3,125
(b)(1) CA Specific Geologist	270	\$75	\$20,250
(b)(2) Geophysicist Exam	6	\$75	\$450
(b)(3) Specialty Geologist/Geophysicist Cert Exam	54	\$75	\$4,050
(d) - Biennial Renewal	3,752	\$70	\$262,640
(g) - Retired License	48	\$25	\$1,200
<b>Total:</b>			<b>\$307,165</b>

\*Approximate

The regulations are estimated to increase revenues by approximately \$4.4 million per year and up to \$44 million over a ten-year period.

Because the Board currently charges the fees in this proposal and performs workload associated with these programs and fees, no additional workload and costs are anticipated.

The Board estimates one-time information technology (IT) costs of \$43,000 to update cashiering and accounting software. Any IT costs will be absorbed within existing resources.

The regulations do not result in any costs or savings in federal funding to the state.

**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 as effective or 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.

No such alternatives have been proposed; however, the Board welcomes comments from the public.

**Description of reasonable alternatives to the regulation that would lessen any adverse impact on small business:**

No such alternatives have been proposed, however, the Board welcomes comments from the public.