

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 329 – HB 597

March 20, 2017

**SUMMARY OF ORIGINAL BILL:** Establishes that an individual who holds a master's degree in engineering from an institution which holds satisfactory standing with the Board of Architectural and Engineering Examiners (BAEE), with four years or more of progressive experience on engineering projects which indicates to the BAEE that such applicant is competent to practice engineering, and who has obtained certification as an engineer intern, shall be permitted to a minimum eight-hour examination prepared by the National Council of Examiners for Engineering and Surveying (NCEES), on the principles and practice of engineering. Upon passage of such examination, such individual shall be granted a certificate of registration to practice engineering in this state, provided the applicant is otherwise qualified. An effective date of July 1, 2017.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

\$300/FY17-18/Board of Architectural & Engineering Examiners

\$500/FY18-19 and Subsequent Years/Board of Architectural &  
Engineering Examiners

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The BAEE experienced a surplus of \$300,561 in FY14-15, a surplus of \$138,140 in FY15-16, and a cumulative reserve balance of \$1,651,702 on June 30, 2016.

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (004930):** Deletes and rewrites the bill such that the only substantive changes include: removes language requiring certification as an engineering intern for an individual who has obtained a master's degree, in order to sit for the NCEES exam; adds language requiring a master's degree to be from the Accreditation Board for Engineering and Technology (ABET); increases the number of years of progressive experience on engineering projects which an engineering licensee must hold, from four years to twenty years; and establishes a repeal date of this Act of June 30, 2019.

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## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

### **Increase State Revenue –**

**\$300/FY17-18/Board of Architectural & Engineering Examiners**

**\$500/FY18-19/Board of Architectural & Engineering Examiners**

**\$400/FY19-20 and Subsequent Years/Board of Architectural & Engineering Examiners**

**Other Fiscal Impact - The provisions of this bill will be repealed on June 30, 2019; however, individuals who have become certified with the BAEE as engineers will continue to pay the biennial certification fee until they no longer hold such certification.**

**Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The BAEE experienced a surplus of \$300,561 in FY14-15, a surplus of \$138,140 in FY15-16, and a cumulative reserve balance of \$1,651,702 on June 30, 2016.**

Assumptions for the bill as amended:

- Currently, pursuant to Tenn. Code Ann. § 62-2-401(a)(1)-(2), an individual is qualified to practice engineering by following either of the two following paths:
  - Graduate from a BAEE-approved engineering curriculum of 4 years or more, have 4 or more years of experience on engineering projects which indicate competence in engineering, obtain certification as an engineering intern, and pass an examination prepared by NCEES; or
  - Graduate from an engineering curriculum of 4 years or more, have 12 or more years of experience on engineering projects which indicate competence in engineering, and pass an examination prepared by NCEES.
- This legislation will effectively allow an individual, who has not obtained a bachelor's degree in engineering, but has obtained a master's degree in engineering, to practice engineering upon successful completion of the requirements enumerated in the legislation.
- This legislation is estimated to result in an increase in the number of engineering certifications issued by the BAEE
- Passage of this legislation is assumed to result in one additional engineering certification being issued by BAEE in each grand division of the state, for a total of three additional engineering certifications statewide each year.
- Pursuant to the BAEE rule 0120-01-.05(1)-(2), a \$30 application fee and \$140 initial and biennial renewal certification must accompany applications for certification as an engineer. Therefore, an increase in state revenue to the BAEE of \$255  $\{[(\$140 + \$30) \times 3] / 2\text{-years}\}$  in FY17-18.
- The total increase in state revenue to the BAEE in FY18-19 is estimated to be \$465  $\{\$255 \text{ from new FY18-19 applicants} + [(\$140 \times 3) / 2\text{-years}] \text{ from FY17-18 applicants}\}$ .

- The provisions enacted by this legislation will be repealed on June 30, 2019; however, the additional registered and certified engineers licensed as a result of this legislation will each continue to pay the biennial certification fee in outlying years until such licensees are no longer registered with the BAEE as engineers.
- The total increase in state revenue to the BAEE in FY19-20 and subsequent years is estimated to be \$420 [(\$140 x 6 total new engineers) / 2].
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The BAEE experienced a surplus of \$300,561 in FY14-15, a surplus of \$138,140 in FY15-16, and a cumulative reserve balance of \$1,651,702 on June 30, 2016.

### **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

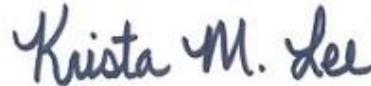
#### **Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- This legislation will provide an alternative path for certain individuals to become certified as an engineer.
- Any impact to commerce or jobs in this state as a result of this legislation is estimated to be not significant.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb