

Michigan Office of Administrative Hearings and Rules
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**REGULATORY IMPACT STATEMENT
and COST-BENEFIT ANALYSIS (RIS)**

PART 1: INTRODUCTION

Under the Administrative Procedures Act (APA), 1969 PA 306, the agency that has the statutory authority to promulgate the rules must complete and submit this form electronically to the Michigan Office of Administrative Hearings and Rules (MOAHR) at MOAHR-Rules@michigan.gov no less than 28 days before the public hearing.

1. Agency Information

Agency name:	Department of Licensing and Regulatory Affairs	
Division/Bureau/Office:	Bureau of Professional Licensing	
Name, title, phone number, and e-mail of person completing this form:	Rick Roselle, Senior Policy Analyst, roseller1@michigan.gov , 517-335-1769	
Name of Departmental Regulatory Affairs Officer reviewing this form:	Liz Arasim, Department of Licensing and Regulatory Affairs	

2. Rule Set Information

MOAHR assigned rule set number:	2019-031 LR
Title of proposed rule set:	Professional Engineers – General Rules

PART 2: KEY SECTIONS OF THE APA

MCL 24.207a “Small business” defined.

Sec. 7a. “Small business” means a business concern incorporated or doing business in this state, including the affiliates of the business concern, which is independently owned and operated, and which employs fewer than 250 full-time employees or which has gross annual sales of less than \$6,000,000.00.

MCL 24.232 (8) Except for an emergency rule promulgated under section 48, and subject to subsection (10), if the federal government has mandated that this state promulgate rules, an agency shall not adopt or promulgate a rule more stringent than the applicable federally mandated standard unless the director of the agency determines that there is a clear and convincing need to exceed the applicable federal standard.

(9) Except for an emergency rule promulgated under section 48, and subject to subsection (10), if the federal government has not mandated that this state promulgate rules, an agency shall not adopt or promulgate a rule more stringent than an applicable federal standard unless specifically authorized by a statute of this state or unless the director of the agency determines that there is a clear and convincing need to exceed the applicable federal standard.

(10) Subsections (8) and (9) do not apply to the amendment of the special education programs and services rules, R 340.1701 to R 340.1862 of the Michigan Administrative Code. However, subsections (8) and (9) do apply to the promulgation of new rules relating to special education with the rescission of R 340.1701 to R 340.1862 of the Michigan Administrative Code.

MCL 24.240 Reducing disproportionate economic impact of rule on small business; applicability of section and MCL 24.245(3).

Sec. 40. (1) When an agency proposes to adopt a rule that will apply to a small business and the rule will have a disproportionate impact on small businesses because of the size of those businesses, the agency shall consider exempting small businesses and, if not exempted, the agency proposing to adopt the rule shall reduce the economic impact of the rule on small businesses by doing all of the following when it is lawful and feasible in meeting the objectives of the act authorizing the promulgation of the rule:

- (a) Identify and estimate the number of small businesses affected by the proposed rule and its probable effect on small businesses.
 - (b) Establish differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.
 - (c) Consolidate, simplify, or eliminate the compliance and reporting requirements for small businesses under the rule and identify the skills necessary to comply with the reporting requirements.
 - (d) Establish performance standards to replace design or operational standards required in the proposed rule.
- (2) The factors described in subsection (1)(a) to (d) shall be specifically addressed in the small business impact statement required under section 45.
- (3) In reducing the disproportionate economic impact on small business of a rule as provided in subsection (1), an agency shall use the following classifications of small business:
- (a) 0-9 full-time employees.
 - (b) 10-49 full-time employees.
 - (c) 50-249 full-time employees.
- (4) For purposes of subsection (3), an agency may include a small business with a greater number of full-time employees in a classification that applies to a business with fewer full-time employees.
- (5) This section and section 45(3) do not apply to a rule that is required by federal law and that an agency promulgates without imposing standards more stringent than those required by the federal law.

MCL 24.245 (3) Except for a rule promulgated under sections 33, 44, and 48, the agency shall prepare and include with the notice of transmittal a **regulatory impact statement** which shall contain specific information (information requested on the following pages).

PART 3: AGENCY RESPONSE

Please provide the required information using complete sentences. **Do not answer any question with “N/A” or “none.”**

Comparison of Rule(s) to Federal/State/Association Standards:

1. Compare the proposed rule(s) to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

Each state establishes its own requirements for the profession. There are no parallel federal rules or standards set by a state or national licensing agency or accreditation association.

A. Are these rule(s) required by state law or federal mandate?

The rules are required to be promulgated under state law by MCL 339.205, 339.308, and 339.2009, and Executive Reorganization Order Nos. 1991-9, 1996-2, 2003-1, and 2011-4, MCL 339.3501, MCL 445.2001, MCL 445.2011, MCL 445.2030.

B. If these rule(s) exceed a federal standard, identify the federal standard or citation, describe why it is necessary that the proposed rule(s) exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

The proposed rules do not exceed a federal standard or law.

2. Compare the proposed rule(s) to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

The regulation of professional engineers in Michigan is required under Article 20 of the Occupational Code, 1980 PA 299, MCL 339.2001 to 339.2014. The proposed rules provide requirements for licensure and standards of practice and professional conduct of professional engineers. All 7 states in the Great Lakes region have regulations for the practice and licensure or registration of professional engineers. The practice and licensure or registration requirements differ from state to state, but, overall, the standards in the proposed rules do not exceed those of other states in the Great Lakes region.

Part 1 of the proposed rules includes definitions of terms used in the rule set. All states in the Great Lakes region define certain terms that are used in its administrative regulations to aid in understanding the regulations.

Part 2 of the proposed rules provides requirements for satisfying the education, experience, and examination components for licensure under the act. The proposed rules require an applicant for a professional engineer license to satisfy the educational requirement of the act by verifying one of the following:

- Receiving a bachelor’s degree or higher degree in engineering from a program accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology, Inc. (EAC/ABET) or the Canadian Engineering Accreditation Board (CEAB).
- Received a master’s degree or doctorate degree in engineering from a school and program with an EAC/ABET-accredited or a CEAB-accredited bachelor’s degree program that is in the same engineering discipline as his or her master's degree or doctorate.
- Receiving a credentials evaluation from the National Council of Examiners for Engineering and Surveying (NCEES) that verifies he or she received a bachelor’s degree in engineering from a non-United States-based program or a master’s degree or doctorate in engineering from a non-EAC/ABET-accredited program and both of the following:
 - The applicant for professional engineer licensure completed not less than 32 college semester credit hours in the areas of mathematics and science.
 - The applicant for professional engineer licensure completed not less than 48 college semester credit hours in engineering science or engineering design courses that satisfy the course requirements established under the NCEES engineering education standard.
- Receiving a credentials evaluation from a service that is a member of the National Association of Credential Evaluation Services (NACES) that verifies he or she received a bachelor’s degree in engineering from a program that is substantially equivalent to an EAC/ABET-accredited bachelor’s degree program in engineering.

The proposed rules also clarify the requirements an applicant must meet to receive credit for professional engineering experience based on work experience and educational experience. An applicant who holds a degree from an accredited program or its equivalent is granted credit for 4 years of experience for a bachelor’s degree and 1 year of experience for a post-baccalaureate degree. In addition, an applicant who obtains work experience is granted credited based on either of the following:

- Obtaining not less than 4 years of experience practicing as a licensed or registered professional engineer in another state.
- Performing qualifying engineering work under the direction of a licensed professional engineer in Michigan or a licensed or registered professional engineering in another state. Qualifying engineering work and the verification required for demonstrating completion of the work is listed under the proposed rules.

In addition, the proposed rules require an applicant for a professional engineer license to achieve a passing score on either the NCEES Principals and Practice of Engineering exam or both components of the NCEES Structural Engineering exam and achieve either a passing score on the NCEES Fundamentals of Engineering exam or verify that he or she received a doctorate degree in engineering from a school and program with an EAC/ABET-accredited or a CEAB-accredited bachelor’s degree

program that is in the same engineering discipline as his or her doctorate degree in engineering. Furthermore, the proposed rules provide the requirements for becoming relicensed when a license has lapsed.

All states in the Great Lakes region have regulations that require professional engineers to hold engineering degrees from approved programs or possess educational experience that is considered equivalent to an approved program, obtain work experience in professional engineering prior to receiving a license or registration, and pass engineering fundamental and professional practice examinations. In addition, all states in the Great Lakes region require licensees or registrants to comply with relicensure or reregistration requirements when the license or registration has lapsed. The requirements of the proposed rules are similar to the standards in other states in the Great Lakes region.

Part 3 of the proposed rules provides standards of practice and professional conduct requirements that must be followed by licensees. The proposed rules clarify the professional standards for which all licensees must adhere to in the course of professional practice. All states in the Great Lakes region have regulations that establish standards of practice and professional conduct that apply to professional engineers. The standards of practice and professional conduct in the proposed rules are similar to the standards and requirements in other states in the Great Lakes region.

Part 4 of the proposed rules provides requirements for license renewal and continuing education. The proposed rules clarify how much continuing education is required for renewal, when it must be earned, the activities that qualify as acceptable continuing education, and the documentation that is required to demonstrate compliance with the continuing education requirements. All states in the Great Lakes region require professional engineers to renew their license or registration every two years, except New York, which requires renewal every three years. As a condition of renewal, all states in the Great Lakes region require licensees or registrants to complete continuing education requirements.

A. If the rule(s) exceed standards in those states, explain why and specify the costs and benefits arising out of the deviation.

The rules pertaining to licensure, practice and professional conduct, and license renewal, continuing education, and relicensure differ from state to state. Overall, the standards in the proposed rules do not exceed those of other states in the Great Lakes region.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rule(s).

There are no other laws, rules, or other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

A. Explain how the rule has been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

No coordination was needed because there are no other federal, state, and local laws that are applicable to the same activity or subject matter of the proposed rules.

4. If MCL 24.232(8) applies and the proposed rule(s) is more stringent than the applicable federally mandated standard, **a statement of specific facts that establish the clear and convincing need to adopt the more stringent rule(s) and an explanation of the exceptional circumstances that necessitate the more stringent standard** is required below:

MCL 24.232(8) does not apply because the federal government has not mandated that Michigan promulgate rules pertaining to the regulation of licensed professional engineers.

5. If MCL 24.232(9) applies and the proposed rule(s) is more stringent than the applicable federal standard, **either the statute that specifically authorizes the more stringent rule(s) or a statement of the specific facts that establish the clear and convincing need to adopt the more stringent rule(s) and an explanation of the exceptional circumstances that necessitate the more stringent standard** is required below:

MCL 24.232(9) does not apply because the federal government does not have standards pertaining to the regulation of licensed professional engineers.

Purpose and Objectives of the Rule(s):

6. Identify the behavior and frequency of behavior that the proposed rule(s) are designed to alter.

The act requires applicants for a professional engineer license to document 8 years of professional experience that is acceptable to the board, provide evidence of a baccalaureate degree in engineering from an accredited program or its equivalent, as determined by the board, and pass the engineering fundamentals and professional practice examinations or provide equivalent proof of qualification acceptable to the department and the board. In addition, the act requires the board to set minimal standards of acceptable practice for the occupation and for the department to promulgate rules to implement the requirements for renewal and relicensure.

The proposed rules reflect the evidence that is acceptable to the board for demonstrating compliance with the licensure requirements in the areas over which the act grants the board such discretion. The proposed rules are designed to clearly state the documentation that an applicant must submit to satisfy the requirements. In addition, the proposed rules reflect the minimal standards of practice considered acceptable to the board and are clarified to aid licensees in complying with those requirements. Finally, the proposed rules clarify the license renewal, continuing education, and relicensure requirements to add certainty and assist licensees with complying with the requirements.

R 339.16001: This rule pertains to definitions used in the rule set. The proposed rule is designed to add definitions to clarify the meaning of terms used in the proposed rules.

R 339.16021: This rule pertains to the criteria for determining acceptability of a baccalaureate degree and experience credit that is granted for degrees. The proposed rule is designed to clearly identify the accreditation that must be held by an educational program granting degrees that are acceptable for licensure and provide transparency regarding the criteria that is used for determining whether a degree granted by a nonaccredited educational program is acceptable for licensure.

R 339.16022: This rule pertains to professional engineering experience. The proposed rule is designed to provide greater clarity pertaining to the type of work that qualifies as professional experience, the amount of professional experience credit that is granted for an educational degree, and the documentation that is required to receive credit for professional experience.

R 339.16025: This rule pertains to licensure by reciprocity and what may be considered as equivalent to the education and examination requirements for licensure. This proposed rule is designed to clarify the requirements for relicensure for licensees whose license has lapsed for less than 3 years and for licensees whose license has lapsed for 3 years or more. The criteria for determining education and examination equivalency are moved to the proposed rules pertaining to education and examinations under R 339.16021 and R 339.16026.

R 339.16026: This rule pertains to the examination requirements. The proposed rule is designed to provide greater clarity of the requirements that must be met to satisfy the examination requirements under the act by identifying the name of the exams acceptable for licensure, the entity that administers the exams, and how a passing score is determined.

R 339.16031: This rule pertains to solicitation of employment, restrictions, and exceptions. The proposed rule is designed to update and clarify the standards of practice and professional conduct that are set by the board.

R 339.16032: This rule pertains to the requirements a licensee shall meet to avoid a conflict of interest. Proposed rules pertaining to a conflict of interest are moved under R 339.16031. The proposed rule is designed to amend the requirements for a professional engineer seal to ensure licensees obtain a seal that contains all of the digits of a licensee's license number.

R 339.16040: This rule pertains to continuing education and license renewal requirements. The proposed rule is designed to provide greater clarity of the requirements for license renewal and to add requirements pertaining to a request for a continuing education waiver.

R 339.16041: This rule pertains to acceptable continuing education. The proposed rule is designed to clearly identify activities that qualify for continuing education, the documentation that is required to demonstrate completion of the activity upon audit, and the limitations for receiving credit in qualifying continuing education activities.

A. Estimate the change in the frequency of the targeted behavior expected from the proposed rule(s).

The proposed rules are updated to reflect the evidence that is acceptable to the board for demonstrating compliance with the licensure requirements under the act as it relates to areas over which the act grants the board such discretion. The proposed rules should provide greater clarity to licensees regarding compliance with requirements under the proposed rules and the act.

B. Describe the difference between current behavior/practice and desired behavior/practice.

Updating the standards for practice of the occupation, the requirements for licensure, clarifying the documentation that is required to satisfy the licensure requirements, providing additional detail related to renewal, continuing education, and relicensure requirements helps provide clarity and certainty to the rules. These proposed changes will make compliance easier for applicants and licensees.

C. What is the desired outcome?

The desired outcome is to provide greater clarity to applicants and licensees to assist them with complying with the licensure requirements under the act. By making improvements and clarifications to the rules, applicants and licensees should find compliance easier. In addition, the proposed rules should result in fewer questions, fewer regulatory problems, and aid with protecting public safety.

7. Identify the harm resulting from the behavior that the proposed rule(s) are designed to alter and the likelihood that the harm will occur in the absence of the rule.

The proposed rules are designed to eliminate ambiguity regarding the documentation that is acceptable to satisfy the licensure requirements of the act and update requirements to reflect the minimal standards considered acceptable to the board and the department. In the absence of the proposed rules, applicants and licensees are more likely to misunderstand the licensure requirements and will not be made aware of all of the criteria used by the department for determining compliance with the rules. In addition, a risk to the public will exist because licensees will have no requirement to comply with the minimal standards that board considers necessary to protect the public.

A. What is the rationale for changing the rule(s) instead of leaving them as currently written?

The proposed rules primarily update the previously adopted rules, eliminate ambiguous and outdated requirements, and update standards to provide applicants and licensees with greater

clarity that will assist them with understanding and complying with the requirements under the rules.

8. Describe how the proposed rule(s) protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

The proposed rules provide regulatory requirements pertaining to licensure and standards of practice and professional conduct for the practice of professional engineering. To protect Michigan's citizens, it is important for the proposed rules to provide licensees with clarity regarding licensure requirements and provide updated requirements that reflect the current environment of the profession.

9. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

R 339.16024: This rule pertains to the seal of a professional engineer. The rule is being rescinded because the amended requirements pertaining to the seal will be moved under R 339.16032.

R 339.16033: This rule pertains to requirements a licensee must meet to participate in an engineer project. The rule is being rescinded because the amended requirements will be moved under R 339.16031.

R 339.16034: This rule pertains to work review and approval of procedures and decisions of persons under the licensee's supervision. The rule is being rescinded because the amended requirements will be moved under R 339.16031.

R 339.16042: This rule pertains to the continuing education hours required for renewal. The rule is being rescinded because the amended requirements pertaining to the continuing education hours required for renewal will be moved under R 339.16040.

R 339.16043: This rule pertains to maintaining documentation for demonstrating completion of continuing education requirements. The rule is being rescinded because the amended requirements will be moved under R 339.16040 and R 339.16041.

R 339.16044: This rule pertains to the process for auditing the completion of the continuing education requirements. This rule is being rescinded because the amended requirements will be moved under R 339.16040 and R 339.16041.

Fiscal Impact on the Agency:

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursement rates, etc. over and above what is currently expended for that function. It does not include more intangible costs or benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

10. Describe the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings).

There is no fiscal impact expected on the agency for promulgating the proposed rules.

11. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rule(s).

No agency appropriation has been made and no funding source has been provided for any expenditures associated with the proposed rules.

12. Describe how the proposed rule(s) is necessary and suitable to accomplish its purpose, in relationship to the burden(s) it places on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

The proposed rules are required by statute to provide regulatory requirements related to the practice of professional engineering. The proposed rules are written to impose no more burden on individuals than is necessary to accomplish the statutory requirement of providing the rules. There is no identified burden on individuals as a result of the proposed rules.

- A. Despite the identified burden(s), identify how the requirements in the rule(s) are still needed and reasonable compared to the burdens.

There is no identified burden on individuals as a result of the proposed rules.

Impact on Other State or Local Governmental Units:

13. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for such other state or local governmental units as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

The proposed rules are not expected to increase or decrease revenues to other state or local government units or increase or reduce costs on other state or local governmental units.

- A. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

The proposed rules are not expected to increase or decrease revenues to other state or local government units or increase or reduce costs on other state or local governmental units.

14. Discuss any program, service, duty or responsibility imposed upon any city, county, town, village, or school district by the rule(s).

The proposed rules do not impose any program, service, duty, or responsibility upon any city, county, town, village, or school district.

- A. Describe any actions that governmental units must take to be in compliance with the rule(s). This section should include items such as record keeping and reporting requirements or changing operational practices.

The proposed rules do not impose any program, service, duty, or responsibility upon any city, county, town, village, or school district.

15. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rule(s).

The proposed rules do not require state or local governmental units to make additional expenditures. Therefore, no appropriation or funding source is necessary.

Rural Impact:

16. In general, what impact will the rule(s) have on rural areas?

The proposed rules are not expected to have an impact on rural areas.

- A. Describe the types of public or private interests in rural areas that will be affected by the rule(s).

Public or private interests in rural areas are not expected to be affected because the proposed rules do not impact rural areas.

Environmental Impact:

17. Do the proposed rule(s) have any impact on the environment? If yes, please explain.

The proposed rules do not have any impact on the environment.

Small Business Impact Statement:

18. Describe whether and how the agency considered exempting small businesses from the proposed rule(s).

The proposed rules impose requirements on individual licensees rather than small businesses. Even if a licensee's practice qualified as a small business, the proposed rules are not expected to have an impact on his or her small business and the department could not exempt his or her small business because it would create disparity in the regulation of the profession.

19. If small businesses are not exempt, describe (a) how the agency reduced the economic impact of the proposed rule(s) on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rule(s) upon small businesses as described below, per MCL 24.240(1)(a)-(d), or (b) the reasons such a reduction was not lawful or feasible.

The proposed rules impose requirements on individual licensees rather than small businesses. The proposed rules will have little to no economic impact on individual licensees. As a result, even if a licensee's practice qualified as a small business, the proposed rules are not expected to have an economic impact on his or her small business.

- A. Identify and estimate the number of small businesses affected by the proposed rule(s) and the probable effect on small business.

The proposed rules are not expected to have an economic impact on small businesses. The proposed rules affect individual licensees.

- B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rule after projecting the required reporting, record-keeping, and other administrative costs.

The department does not collect or have access to information that would allow it to identify and estimate the number of small businesses that may be affected. It is not possible to estimate the number of small businesses affected by the proposed rules.

- C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

Because the proposed rules pertain to individuals and not small businesses, there are no differing compliance or reporting requirements or timetables for small businesses. They are unnecessary for the proposed rules.

- D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rule(s).

The department did not establish performance standards to replace design or operation standards because they are unnecessary for the proposed rules.

20. Identify any disproportionate impact the proposed rule(s) may have on small businesses because of their size or geographic location.

The proposed rules are not expected to have a disproportionate impact on small businesses because of their size or geographic location.

21. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rule(s).

The proposed rules do not require any reports to comply with the proposed rules.

22. Analyze the costs of compliance for all small businesses affected by the proposed rule(s), including costs of equipment, supplies, labor, and increased administrative costs.

There are no costs of compliance expected for small businesses because the proposed rules affect individual licensees and not small businesses.

23. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rule(s).

The proposed rules apply to individuals and not small businesses. Therefore, there is no estimated cost for legal, consulting, or accounting services that small businesses would incur.

24. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

Since the rules affect individual licensees rather than small businesses, the rules are not expected to cause economic harm or adversely affect a small business' competition in the marketplace.

25. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

The proposed rules impose requirements on individual licensees rather than small businesses. Even if a licensee's practice qualifies as a small business, the department cannot exempt his or her small business because it would create disparity in regulation of the profession. Therefore, exempting or setting lesser standards of competence for small businesses is not in the best interest of the public.

26. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

The proposed rules impose requirements on individual licensees rather than small businesses. Even if a licensee's practice qualifies as a small business, the department cannot exempt his or her small business because it would create disparity in regulation of the profession. Therefore, exempting or setting lesser standards of competence for small businesses is not in the best interest of the public.

27. Describe whether and how the agency has involved small businesses in the development of the proposed rule(s).

The proposed rules were developed in consultation with, and approval of, the Michigan Board of Engineers, whose members include employees of small businesses. However, the department did not involve any other small businesses in the development of the proposed rules because the proposed rules impose requirements on individual licensees rather than small businesses.

- A. If small businesses were involved in the development of the rule(s), please identify the business(es).

The proposed rules were developed in consultation with, and approval of, the Michigan Board of Engineers, whose members include employees of small businesses. However, the department did not involve any other small businesses in the development of the proposed rules because the proposed rules impose requirements on individual licensees rather than small businesses.

Cost-Benefit Analysis of Rules (independent of statutory impact):

28. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

There is no estimated compliance cost with these proposed rules on businesses or groups.

- A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rule(s).

No businesses or groups will be directly affected or benefited by the proposed rules. No additional costs will be imposed on any businesses or groups.

B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

No additional costs will be imposed on any businesses or groups.

29. Estimate the actual statewide compliance costs of the proposed rule(s) on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

R 339.16032 may require licensees to obtain a new seal, if the licensee's seal does not contain the licensee's full name and license number. Many licensees only use the last 5 digits of their license. The estimated cost for obtaining a new seal ranges from as low at \$15.00 to as high as \$48.75.

The proposed rules make no other changes to compliance costs that are different than the actual cost of compliance imposed under current statutes and rules. Licensure and applications fees are established by statute under the State License Fee Act, 1979 PA 152, MCL 338.2201 to 338.2277.

A. How many and what category of individuals will be affected by the rules?

All individuals applying for a license in this state will be affected.

B. What qualitative and quantitative impact does the proposed change in rule(s) have on these individuals?

R 339.16032 will require all current licensees who do not have a seal in compliance with the rule to obtain a new seal at a cost ranging between \$15.00 to \$48.75. The rule provides licensees up to 2 years from the date of promulgation of the rule to make arrangements for obtaining a new seal.

There are no other qualitative or quantitative impacts as it relates to the actual statewide compliance costs of the proposed rules because the proposed rules are not expected to increase or decrease costs for education, training, experience, application fees, examination fees, or licensure fees.

30. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rule(s).

There are no cost reductions for businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

31. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rule(s). Provide both quantitative and qualitative information, as well as your assumptions.

The proposed rules use clear, concise language, and implement the statutory requirements for licensing. The clear and concise language allows the public and licensees to better understand that requirements for licensure.

32. Explain how the proposed rule(s) will impact business growth and job creation (or elimination) in Michigan.

The proposed rules are not expected to have a significant impact on business growth, job growth, or job elimination.

33. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

The department does not expect any individuals or businesses to be disproportionately impacted by their industrial sector, segment of the public, business size, or geographic location.

34. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the

methodology utilized in determining the existence and extent of the impact of a proposed rule(s) and a cost-benefit analysis of the proposed rule(s).

Illinois: <https://www.idfpr.com/profs/ProfEngineer.asp>

Indiana: <https://www.in.gov/pla/engineer.htm>

Minnesota: <https://mn.gov/aelslagid/engineering.html>

New York: <http://www.op.nysed.gov/prof/pels/pelic.htm>

Ohio: <https://peps.ohio.gov/>

Pennsylvania:

<https://www.dos.pa.gov/ProfessionalLicensing/BoardsCommissions/EngineersLandSurveyorsandGeologists/Pages/default.aspx>

Wisconsin: <https://dsps.wi.gov/Pages/Professions/EngineerProfessional/Default.aspx>

Cost of a new seal:

<https://prostamps.com/products/michigan?variant=6253391314974>

<https://www.pestamps.com/product/michigan-engineer/>

<https://www.stamp-connection.com/selectproduct.aspx?designId=tmp12WFJ5>

A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rule(s).

Estimates pertaining to the costs of a new seal were made based on sale pricing posted by prostamps.com, pestamps.com, and stamp-connection.com.

No other estimates were made because the proposed rules have no other measurable economic impact on individuals, businesses, or governmental units of the state.

Alternatives to Regulation:

35. Identify any reasonable alternatives to the proposed rule(s) that would achieve the same or similar goals. Include any statutory amendments that may be necessary to achieve such alternatives.

Since the rules are required by statute, there are no reasonable alternatives to the proposed rules.

A. In enumerating your alternatives, include any statutory amendments that may be necessary to achieve such alternatives.

Since the rules are required by statute, there are no reasonable alternatives to the proposed rules.

36. Discuss the feasibility of establishing a regulatory program similar to that in the proposed rule(s) that would operate through private market-based mechanisms. Include a discussion of private market-based systems utilized by other states.

Since the rules are required by statute, private market-based systems cannot serve as an alternative. The regulation of professional engineers is a state function, so a regulatory program independent of state intervention cannot be established. Although there are engineer-related professional associations that could be considered regulatory mechanisms that are independent of state intervention, these organizations would provide the public with significantly less protection because membership in these organizations is voluntary and would not encompass all professional engineers.

37. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rule(s). This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

Since the rules are required by statute, there are no reasonable alternatives to the proposed rules. There were no alternatives that the department considered to achieve the intended changes. They are necessary for the administration and enforcement of the licensing process and practice of the profession.
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Additional Information:

38. As required by MCL 24.245b(1)(c), describe any instructions on complying with the rule(s), if applicable.

The instructions for compliance are included in the rules.
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↓ **To be completed by the MOAHR** ↓

PART 4: REVIEW BY THE MOAHR

Date RISCBA received:	8-7-2019
Date RISCBA approved:	8/20/19
Date of disapproval:	
Explanation:	