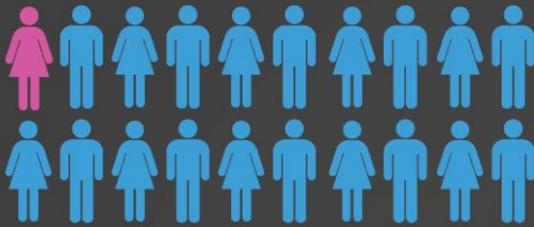


## License to Work

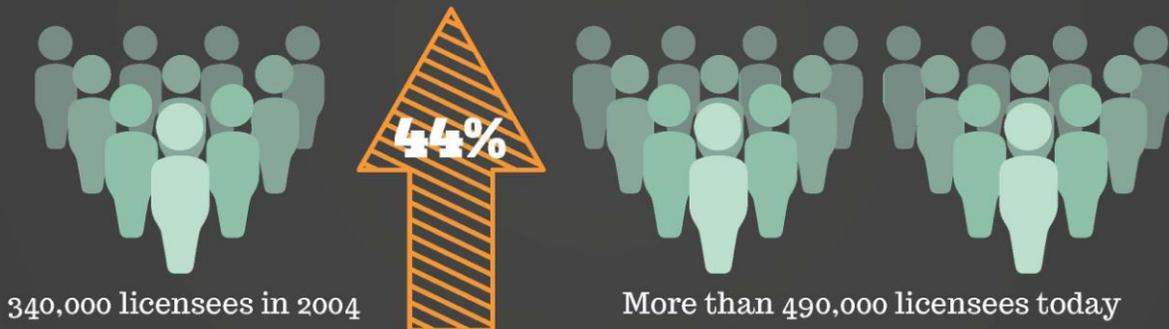
An occupational license is a form of government regulation where a governing body sets arbitrary requirements that an applicant must meet before being approved to practice a skill or trade. The Indiana Professional Licensing Agency administers more than 240 licenses and permits and oversees 38 different boards and commissions.



In 1950, 1 in 20 Americans needed a license to work. Today, that number is closer to 1 in 3.

Source: Institute for Justice

The number of licensed Hoosiers, just overseen by the IPLA, has dramatically increased over the last ten years.



### REGULATIONS



Since 2002, 40 new licenses, permits and certifications have been created by the Legislature, including 20 new licensed occupations. Conversely, only 3 occupations no longer require licensure: Hypnotists, Environmental Health Specialists and Shampoo Operators.



**ASSESSMENT FRAMEWORK FOR OCCUPATIONAL REGULATION**

The Job Creation Committee (JCC) has been formed by the Indiana General Assembly and will advise the Legislature on recommendations for licensing structures primarily overseen by the Indiana Professional Licensing Agency (IPLA). In order to guide its work, the JCC has prepared a conceptual framework aimed at answering two questions: (1) Should the state of Indiana be involved in any form of regulation (e.g., licensing, certification or registration) of a particular occupation, and if so, (2) What questions should be asked to determine whether a regulatory program is accomplishing its public purpose in a cost-effective manner or needs to be buttressed or reformed in some specific way?

- A. *Whether the state of Indiana should be involved at all in the regulation of a particular occupation or profession.*

In order to determine whether some regulatory role is appropriate, policy makers are advised to consider answers to the following questions:

1. **Risk Analysis.** Do consumers face a significant risk of harm from purchasing the goods or services of a particular professional? What is the nature of the harm, the likelihood and severity of the harm, and the potential for irreversible harm to the consumer? (1= Minimal risk; 5= High risk)
2. **Informed Consumer Choice/Trial and Error.** To what extent do individual consumers have the experience or ability, by means of trial and error, to make informed risk-benefit decisions about purchasing goods or services from a particular professional? (1= High capability/access to information; 5= Minimal capability/access to information)
3. **Self-regulation by the Profession.** Is the profession capable of organizing itself (on a local, state, national or international basis) to ensure an acceptable degree of competence without any regulatory program? (1= High capability; 5= Minimal or no capability)
4. **Legal Alternatives to Regulation.** In the absence of an IPLA regulatory program, would consumers have adequate legal protections to deter incompetent or fraudulent behavior by professionals and to seek redress or compensation for avoidable harms? (1= Adequate alternative protections available; 5= No adequate alternatives available)
5. **Cost-Benefit Determination.** Are the consumer benefits of an IPLA regulatory program (e.g., reduced harm to consumers and/or higher levels of public trust in professionals) likely to justify the anticipated costs of a regulatory system (e.g., licensing fees, potentially higher prices for goods or services, and any administrative costs of implementing and enforcing a meaningful regulatory system)? (1=Costs exceed benefits; 5= Benefits exceed costs)

With information from IPLA, the occupational licensing boards, the Office of the Attorney General on the consumer complaint process, industry stakeholders regarding their profession, association representatives covering their role in the industry and the general public, answers to each of the five

## **EXHIBIT D – Assessment Framework for Occupational Regulation**

questions above will be scored by the JCC board members on a five-point scale, and the sum of the five component scores will produce an aggregate score that rates the case for regulation. An aggregate score of 5 would imply that the case for regulation is extremely weak while an aggregate score of 25 would imply that the EXHIBIT C (Page 1 of 2) case for regulation is extremely strong. The framework will require judgment to be implemented, but the framework is transparent as to the factors for which recommendations are made and information can be provided by stakeholders advocating for a certain level of regulation in the industry.

### *B. Whether the State of Indiana should reform regulation of a particular occupation or profession.*

Given that the State of Indiana decides that some form of occupational regulation is appropriate, a variety of questions should be asked to determine whether the program is working properly, whether it is cost-effective, and whether it needs to be reformed in one or more ways. Here are some examples of questions that JCC believes are worth asking.

1. To what extent does the state engage in proactive surveillance, inspections or site visits to determine whether practitioners are in compliance with regulatory requirements?
2. When a complaint is lodged against a particular professional, is the process used to address the complaint fair, timely, defensible, and efficient?
3. What is the nature of complaints received by the board? Do they typically involve potential negative impacts to consumers? Do they typically represent the concerns of impacted consumers or the concerns that professionals have about their colleagues?
4. Are the potential risks to consumers that justify regulation addressed explicitly and adequately in the initial and ongoing regulatory requirements for a particular occupation/profession?
5. Is there evidence that the regulatory system has effectively reduced risk to the consumer?
6. Is the choice of regulatory mechanism (e.g., license, certification or registration) appropriate, given the nature of the occupation/profession and the costs and benefits of regulation?
7. Are the requirements for continuing education of professionals, including associated fees, reasonable and cost-effective given the nature of the risks to consumers, the complexity of knowledge that underpins the profession, and the pace of change in knowledge about how professionals should do their work?
8. Is there evidence that the regulatory system is adversely affecting the supply of professionals and thereby raising the price of goods or services to consumers?
9. Are adequate resources available to carry out the statutory regulatory function in a fair, effective, trustworthy and cost-effective manner?

**EXHIBIT D – Assessment Framework for Occupational Regulation**

10. Is there a reasonable relationship between the fees paid by the professionals in a particular occupation and the quality of the regulatory system that is delivered on behalf of consumers?

11. Is the state the best regulator for the profession? Could the private sector/association assume responsibilities in administering licenses, continuing education and/or examinations?

12. Does CE benefit the industry? Is there a more effective/efficient model?

13. Could the profession/board be combined with another licensing board to streamline operations? What can the administration do to modernize and streamline licensing operations for practitioners?

14. What's the average wage of professionals in the industry (BLS data to support claim)? What's the average income? What is the salary range of the practitioners?

**APPENDIX I – JCC Member Bios**

Members of the Job Creation Committee and Corresponding Bios

**Nicholas Rhoad (Chairman)** is the Executive Director of the Indiana Professional Licensing Agency. The agency is tasked with licensing one out of seven hard working Hoosiers in thirty-eight different professions such as doctors, CPAs, engineers and real estate professionals. IPLA's mission is to provide exemplary customer service for Hoosier licensees, serve as a catalyst for business growth and make Indiana the best place to live and work.

Nick has a bachelor's degree from Hillsdale College in Michigan and a master's degree from Indiana University. He also enjoys philanthropic work by being active in the community and volunteering his time to work with amputees and their families.

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**Dr. Matthew Will** is an Associate Professor of Finance for the University of Indianapolis MBA Program. He has both graduate and undergraduate degrees from Indiana University in Bloomington, as well as a doctorate from Anderson University in finance. After working a number of years in private industry as a senior manager and executive, he began a career in academia. Dr. Will spent 9 years on the faculty of Johns Hopkins University in Baltimore, Maryland. In 2001, he returned to his home state of Indiana and joined the faculty of the University of Indianapolis MBA Program. He has served as Director of the MBA Program, Associate Dean and currently holds the position of Director of External Relations.

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**Tim Reed** has been involved in the residential real estate industry as a broker for 34 years. He served as the District 1 Real Estate Commissioner from 1992 to 2014. He has also served as the President of the Duneland Valparaiso Board of Realtors and the Greater Northwest Indiana Association of Realtors. He has received numerous accolades including being recognized as the Realtor of the Year by the Indiana Association of Realtors and being a recipient of the Sagamore of the Wabash from Governor Pence.

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**Barbara Quandt** is the Indiana State Director of the National Federation of Independent Business (NFIB). A small business owner and NFIB member for over twenty years, Barbara Quandt represented NFIB in the state capital as well as in Washington, D.C. She was also the president and founder of Danville and Brownsburg World Travel agencies, and later, the president and co-founder of The Quandt Group, Inc., a public relations and crisis management consulting firm.

Born in Venezuela and raised in Northport, New York, Quandt has called Indiana her home since she arrived in Indianapolis to attend Butler University. Barbara Quandt is the mother of five.

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**Richard Wilson** has over 25 years combined service to our nation. Currently, he serves as the Executive Officer for the Director of Office of Audit Readiness at the U.S. Department of

## **APPENDIX I – JCC Member Bios**

Defense Finance and Accounting Service (DFAS). Prior to joining the Defense Department, Richard served in the US Army with the 3rd Armored Division in the NATO Defense of Europe and Persian Gulf War. After leaving active duty, he served 16 years in various positions on the staff of U.S. Representative Dan Burton. He has served on several corporate and non-profit boards and is currently the President of the City of Lawrence Police Merit Commission. He is also the Treasurer of the Federated Campaign Stewards, a non-profit organization that runs charitable giving campaigns for federal government agencies in five states, and a Board Member of the Indiana War Memorials Foundation, a private 501 non-profit that supports the Indiana War Memorials and Museums.

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**John Wright** is a Certified Public Accountant in Indiana and a Managing Director in the Evansville office of BKD, LLP. John has been involved in the taxation of public and private enterprises for over 35 years. He holds a Master of Science in Taxation with distinction from Grand Valley State University and a Bachelor of Science in Accounting from the University of Evansville.

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**Allen K. Pope** is the Chief Counsel and Director of the Indiana Medicaid Fraud Control Unit for the Indiana Office of the Attorney General. He is also a faculty member of Indiana Wesleyan University and serves as an adjunct professor of IU Robert H. McKinney School of Law.

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**Chad Timmerman** is the Director of Education Policy for the Office of the Governor and the Assistant Director of Education and Economic Development for the State Budget Agency/Office of Management and Budget. Before joining OMB, Chad served as a Legislative Assistant for the Indiana House of Representatives.

**JOB CREATION COMMITTEE**

**Will meet on  
Thursday, September 18, 2014  
at 10:00 a.m.  
at the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, Indiana 46204**

- I. CALL TO ORDER & ESTABLISHMENT OF QUORUM 10:00 A.M**
- II. ADOPTION OF AGENDA**
- III. OPENING REMARKS & INTRODUCTION**
  - A. Chairman Nicholas Rhoad, Executive Director of the IPLA**
- IV. REPORT FROM THE BOARD OF ACCOUNTANCY**
  - A. Hannah Fichter, Board Director for the Board of Accountancy**
- V. REPORT FROM THE ATTORNEY GENERAL’S OFFICE ON CONSUMER COMPLAINTS**
  - A. Paul Schilling, Deputy Attorney General**
- VI. REPORT FROM THE INDIANA CPA SOCIETY**
  - A. Gary Bolinger, CAE, CEO and President**
- VII. CONCLUDING DISCUSSION BY THE COMMITTEE**
- VIII. ADJOURNMENT**

**NEXT SCHEDULED MEETING  
October 16, 2014  
Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, Indiana 46204**

**JOB CREATION COMMITTEE**

Thursday, October 16, 2014  
at 9:00 AM  
in the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

- I. CALL TO ORDER & ESTABLISHMENT OF QUORUM**
- II. ADOPTION OF AGENDA & REVIEW OF SEPTEMBER MINUTES**
- III. COMMITTEE DISCUSSION & RECOMMENDATIONS FOR BOARD OF ACCOUNTANCY**
- IV. PRESENTATION FROM THE STATE BOARD OF REGISTRATION FOR ARCHITECTS & LANDSCAPE ARCHITECTS**
  - a. Amy Hall, Board Director
- V. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. ARCHITECTS & LANDSCAPE ARCHITECTS**
- VI. REPORT FROM AMERICAN INSTITUTE OF ARCHITECTS INDIANA**
  - a. Jason Shelley, Executive Director
- VII. REPORT FROM INDIANA CHAPTER OF THE AMERICAN SOCIETY OF LANDSCAPE ARCHITECTS**
  - a. Stacy Haviland, President
- VIII. BREAK FOR LUNCH** **12:30 P.M.**
- IX. PRESENTATION FROM THE HOME INSPECTORS’ LICENSING BOARD**
  - a. Jeanette Langford, Board Director
- X. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. HOME INSPECTORS**
- XI. REPORT FROM INDIANA CHAPTER OF THE AMERICAN SOCIETY OF HOME INSPECTORS**
  - a. Danny Maynard, President
- XII. CONCLUDING DISCUSSION BY THE COMMITTEE**

**XIII. ADJOURNMENT**

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE**

January 15, 2015

Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

**JOB CREATION COMMITTEE**

Will meet on  
Thursday, January 15, 2014  
at 8:30 a.m.  
in the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, Indiana 46204

- I. CALL TO ORDER & ESTABLISHMENT OF QUORUM  
8:30 A.M.**
- II. ADOPTION OF AGENDA & REVIEW OF OCTOBER MINUTES**
- III. COMMITTEE DISCUSSION & RECOMMENDATIONS FOR ARCHITECTS  
& LANDSCAPE ARCHITECTS**
- IV. REPORT FROM THE STATE BOARD OF REGISTRATION FOR  
PROFESSIONAL SURVEYORS**
  - A. Amy Hall, Board Director
- V. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE  
re. SURVEYORS**
  - A. Terry Tolliver, Deputy Attorney General
- VI. REPORT FROM THE INDIANA SOCIETY OF PROFESSIONAL LAND  
SURVEYORS, INC.**
  - A. Jason Coyle, Executive Director
- VII. BREAK FOR LUNCH 12:30 P.M.**
- VIII. REPORT FROM THE STATE BOARD OF REGISTRATION FOR  
PROFESSIONAL ENGINEERS**
  - A. Amy Hall, Board Director
- IX. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE  
re. ENGINEERS**
  - A. Terry Tolliver, Deputy Attorney General
- X. REPORT FROM THE INDIANA SOCIETY OF PROFESSIONAL  
ENGINEERS.**
  - A. Scott Haraburda, PhD, PE, ENSPE, President, ISPE
- XI. CONCLUDING DISCUSSION BY THE COMMITTEE**

**XII. ADJOURNMENT**

**NEXT SCHEDULED MEETING**  
**February 19, 2014**  
**Indiana Government Center-South**  
**402 West Washington Street, Room W064**  
**Indianapolis, Indiana 46204**

**JOB CREATION COMMITTEE**

**Thursday, February 19, 2014  
at 9:00 AM  
in the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

- I. CALL TO ORDER & ESTABLISHMENT OF QUORUM**
- II. ADOPTION OF AGENDA & REVIEW OF JANUARY MINUTES**
- III. COMMITTEE DISCUSSION**
- IV. PRESENTATION FROM THE MANUFACTURED HOME INSTALLER LICENSING BOARD**
  - a. Jeanette Langford, Board Director
- V. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. MANUFACTURED HOME INSTALLERS**
- VI. REPORT FROM THE INDIANA MANUFACTURED HOUSING ASSOCIATION – RECREATION VEHICLE INDIANA COUNCIL**
  - a. Mark Bowersox, Executive Director
- VII. BREAK FOR LUNCH**
- VIII. PRESENTATION FROM THE PRIVATE INVESTIGATOR AND SECURITY GUARD LICENSING BOARD**
  - a. Amy Hall, Board Director
- IX. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. PRIVATE INVESTIGATORS AND SECURITY GUARDS**
- X. REPORT FROM THE INDIANA SOCIETY OF PROFESSIONAL INVESTIGATORS**
  - a. Brandy Lord, President
- XI. REPORT FROM THE INDIANA ASSOCIATION OF PROFESSIONAL INVESTIGATORS**
  - a. Kim Ridding, President
- XII. CONCLUDING DISCUSSION BY THE COMMITTEE**

**XIII. ADJOURNMENT**

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE  
March 19, 2015  
Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

**JOB CREATION COMMITTEE**

**Thursday, March 19, 2014  
at 9:00 AM  
in the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

- I. CALL TO ORDER & ESTABLISHMENT OF QUORUM**
- II. ADOPTION OF AGENDA & REVIEW OF FEBRUARY MINUTES**
- III. COMMITTEE DISCUSSION**
- IV. PRESENTATION ON “POVERTY AND ENTREPRENEURSHIP IN INDIANA: WIDENING THE ROAD OUT OF POVERTY”**
  - a. Doug Noonan, Associate Professor at Indiana University – Purdue University Indianapolis
- V. PRESENTATION FROM THE STATE BOARD OF FUNERAL AND CEMETERY SERVICE**
  - a. Tracy Hicks, Board Director
- VI. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. FUNERAL HOME DIRECTORS & CEMETERIES**
  - a. Terry Tolliver, Deputy Attorney General
- VII. REPORT FROM THE INDIANA FUNERAL DIRECTORS ASSOCIATION**
  - a. Curtis Rostad, Executive Director
- VIII. BREAK FOR LUNCH**
- IX. PRESENTATION FROM THE COMMITTEE ON HEARING AID DEALER EXAMINERS**
  - a. Rae Harman, Assistant Board Director
- X. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. HEARING AID DEALERS**
  - a. Laura Iosue, Deputy Attorney General
- XI. REPORT FROM THE INDIANA HEARING AID ALLIANCE**
  - a. Allen Reese and Bruce Campagna, Representatives
- XII. REPORT FROM THE INDIANA SPEECH-LANGUAGE-HEARING ASSOCIATION**

**APPENDIX II – JCC Meeting Agendas**

- a. Heidi Neuburger, Representative

**XIII. CONCLUDING DISCUSSION BY THE COMMITTEE**

**XIV. ADJOURNMENT**

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE  
April 16, 2015  
Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

**JOB CREATION COMMITTEE**

**Thursday, April 16, 2014  
at 9:00 AM  
in the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

- I. CALL TO ORDER & ESTABLISHMENT OF QUORUM**
- II. ADOPTION OF AGENDA & REVIEW OF MARCH MINUTES**
- III. COMMITTEE DISCUSSION**
- IV. REPORT FROM THE INDIANA CEMETERY ASSOCIATION**
  - a. Casey Miller, Executive Director
- V. PRESENTATION FROM THE PRIVATE INVESTIGATOR & SECURITY GUARD LICENSING BOARD**
  - a. Randy Sidwell, Captain of the Pendleton Police Department and Board Member
- VI. PRESENTATION FROM THE INDIANA AUCTIONEER COMMISSION**
  - a. Jeanette Langford, Board Director
- VII. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. AUCTIONEERS**
  - a. Terry Tolliver, Deputy Attorney General
- VIII. REPORT FROM THE INDIANA AUCTIONEERS ASSOCIATION**
  - a. Kathy Baber, Executive Director
- IX. BREAK FOR LUNCH**
- X. PRESENTATION FROM THE INDIANA PLUMBING COMMISSION**
  - a. Rae Harman, Board Director
- XI. PRESENTATION FROM THE INDIANA ATTORNEY GENERAL’S OFFICE re. PLUMBERS**
  - a. Derek Peterson, Deputy Attorney General
- XII. REPORT FROM THE INDIANA PLUMBING HEATING COOLING CONTRACTORS ASSOCIATION**
  - a. Brenda Dant, Executive Director
- XIII. CONCLUDING DISCUSSION BY THE COMMITTEE**

**XIV. ADJOURNMENT**

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE  
June 2, 2015  
Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

**JOB CREATION COMMITTEE**

**Tuesday, June 2, 2015  
at 9:00 AM  
in the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

- I. CALL TO ORDER & ESTABLISHMENT OF QUOROM**
- II. REVIEW & ADOPTION OF AGENDA & APRIL MINUTES**
- III. OLD / NEW BUSINESS**
  - a. Discussion and resolution of JCC requirements pursuant to IC 25-1-16-8
  - b. Assessment framework for board recommendations
    - i. Adoption
    - ii. Discussion for each board
- IV. CONCLUDING DISCUSSION BY THE COMMITTEE**
- V. ADJOURNMENT**

**NEXT SCHEDULED MEETING  
June 17, 2015  
at 1:00 PM  
Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

**JOB CREATION COMMITTEE**

Wednesday, June 17, 2015  
at 1:00 PM  
in the Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

**I. CALL TO ORDER & ESTABLISHMENT OF QUORUM**

**II. REVIEW & ADOPTION OF AGENDA & JUNE 2<sup>ND</sup> MEETING MINUTES**

**III. OLD / NEW BUSINESS**

- a. Discussion and resolution of JCC requirements pursuant to IC 25-1-16-8
- b. Annual Report
  - i. Final discussions for each board and subsequent licenses
  - ii. Adoption of report for submission

**IV. SCHEDULING BOARD PRESENTATIONS FOR THE REST OF THE YEAR**

**V. CONCLUDING DISCUSSION BY THE COMMITTEE**

**VI. ADJOURNMENT**

**NEXT SCHEDULED MEETING**

TBD  
at 9:00 AM  
Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

## **Job Creation Committee**

### **Minutes of the September 18, 2014 Meeting**

#### **Call to Order & Establishment of Quorum**

The Job Creation Committee (JCC) meeting was called to order on Thursday, September 18, 2014 in Conference Room W064 at 10:00 a.m.

Richard Wilson motioned to establish quorum, Timothy Reed seconded. Motion carried by Nick Rhoad.

Committee members present:

- Nicholas Rhoad, Chairman
- Allen Pope
- Barbara Quandt
- Timothy Reed
- Richard Wilson
- John Wright

IPLA staff members present:

- Ben Evans
- Nicholas Goodwin

#### **Adoption of Agenda**

The meeting agenda was reviewed and unanimously approved by committee members.

#### **Opening Remarks & Introduction**

Chairman Rhoad introduced the meeting with opening remarks about the important role of the Professional Licensing Agency (PLA) in Indiana's workforce, as one of every seven working Hoosiers maintains a license through the PLA. Mr. Rhoad also briefly described the requirements and expectations of the Job Creation Committee as outlined by the General Assembly (found here:

<http://www.in.gov/pla/3144.htm>)

#### **Report from the Board of Accountancy**

Hannah Fichter, Board Director for the Board of Accountancy (BOA), presented a printed report to the committee regarding the functions, financials, and enforcement of the licenses overseen by the BOA. Information discussed in the presentation included information regarding:

- License Types
- License Functions
- Firm Permits
- Board of Accountancy: functions, establishment, role
- BOA Fiscal Responsibility: staffing, license costs, enforcement fund, servicing of licenses
- Explanation of various fees

Chairman Rhoad explained that the money collected from licensing fees goes to the state's general fund, and that the General Assembly considers the numerous licensing boards under the general umbrella of the PLA. Therefore, each licensing board has a set allocation for things such as enforcement and staffing regardless of the revenue volume from their specific licensing fees.

Col Wilson asked how Indiana's accounting licensing fees compare to other states, and Mr. Rhoad explained that most of the state's licensing fees are some of the lowest in the nation.

### **APPENDIX III – JCC Meeting Minutes**

Col Wilson asked Ms. Fichter about the date of the licenses that are no longer issued, such as the Public Accountant (PA) and Accounting Practitioner (AP) licenses. He wanted to know if they are transferrable to a currently-issued license such as a CPA. Ms. Fichter answered that as the PA and AP licenses have much fewer education requirements, that they are not transferrable to a CPA license. Those individuals currently holding and renewing their PA and AP licenses can continue to do so until they are no longer in practice.

#### **Report from the Attorney General’s Office on Consumer Complaints**

Paul Schilling, Deputy Attorney General, presented to the committee about the roles of the BOA from the Attorney General’s (AG) office. Their main focus is to investigate consumer complaints about professional licenses, prosecute, and advise. The presentation included the following topics:

- Licensing Enforcement: filing cease & desist orders for those in violation
- Consumer Complaint process: average resolution time is five months
- Litigation process: details about settlement conferences, actions taken against license determined by the BOA
- Sanctions: revocation, suspension, probation, public censure, or civil penalties
- Consumer Complaints by the numbers: 16 open files so far in 2014, only 4 cases resulted in administrative action in 2013
- Types of consumer files: most common complaints are unlicensed practice, discipline in another jurisdiction, professional incompetence, criminal conviction, and advertising
- Administrative Cases by the numbers: only four of the 29 complaints received in 2013 resulted in administrative action and two resulted in cease & desist.

Col Wilson asked about the underutilization of public censures as a sanction. He asked why it isn’t removed as an option. Mr. Schilling responded that removing it as an option would require a change in the law by the General Assembly.

Chairman Rhoad asked how many PLA consumer complaints the AG’s office sees on an annual basis. Mr. Schilling responded that of the 3-4,000 complaints that they receive, most are unfounded. Mr. Rhoad asked if complaints are processed on a “first come, first serve” basis, or if special priority is given to certain complaints. Mr. Schilling explained that specific complaints go to certain investigators who specialize in that area of licensure. Mr. Schilling elaborated that most accountancy complaints are averaging a time frame of five months from initial complaint to an attorney review. In cases that require further adjudication, the timeframe to reach a full resolution including hearings and judgments is averaging closer to 18 months.

Allen Pope clarified that priority is generally not placed on one professional over another, and complaints are processed as they arrive. However, within each professional licensing area, some prioritization can occur related to number of employees who can handle that certain professional license. Also, if the issue presents a more immediate threat, it will get tend to get more attention and result in swifter actions such as immediate suspension of the license by the BOA.

Col Wilson asked about if a case that is settled during the investigation process and no sanctions are issued, does the case still show up on the licensee’s record. Mr. Schilling explained that if a case is settled or resolved in the investigation process, it will not show up on public record. Only if the case is adjudicated or sanctions are issued will it show up on the licensing database.

Chairman Rhoad asked that if it was ethical for the AG’s office to have both an advisory and prosecuting role for BOA consumer complaints. Mr. Schilling explained that the AG’s advisory council is aware of

### **APPENDIX III – JCC Meeting Minutes**

the possible ethical conflicts, and they have internal measures in place for the advising DAG to avoid communication with the prosecuting DAG. They usually work in separate buildings. Allen Pope affirmed that the issue is taken very seriously in the AG's office. Mr. Rhoad asked if this possible ethical conflict has ever been brought up in a hearing with a licensee. Mr. Schilling explained that it has been brought up in judicial review, but the issues has never prevailed or affected a final judgment in a case. Apparently, many other states have separate advisory attorneys for their boards, but not Indiana.

Chairman Rhoad asked if it could be possible in the future for the AG's office to shift their prosecutorial focus and become particularly aggressive on certain cases over others. Mr. Schilling responded that by Indiana statute, it could be possible for the agency to shift their prosecutorial focus. Allen Pope, however, clarified that the scenario is highly unlikely. Statute requires that the AG's office investigate all complaints, so focusing more on one type of complaint would violate the AG's duty to the Supreme Court. Mr. Pope believes that speculation on this topic is pointless.

Chairman Rhoad wanted to discuss the expectations that licensees have about the fees that they pay for their licenses. Does it make sense for the license fees paid for a professional license be dedicated to the enforcement of that particular license? Currently, all \$15M in licensing fee revenue goes into the general fund, and PLA is issued \$4M annually. Timothy Reed mentioned that part of the real estate licensing fees go into a dedicated investigative fund, but generally speaking, different professions have different ways of handling enforcement. Therefore, funding of those enforcement measures are inconsistent. Mr. Rhoad proposed the scenario that if physician licensing fees make up 40% of PLA's revenue, would it be reasonable for them to expect that the enforcement of their licenses take up 40% of the PLA's attention? Mr. Pope responded that the AG's office is not concerned with the issue, since the PLA's funds are set by the General Assembly.

#### **Report from the Indiana CPA Society**

Gary Bolinger, CAE, CEO, and President of the Indiana CPA Society presented a report that provided the following information:

- Assessment on the CPA/Accounting professions on the state's economy
- Recommendations for legislation about potential modification of CPA licensing
- Additional background on why the profession should be regulated
- Proposals for the committee's consideration
- Recommendations for administrative changes

Col Wilson asked if the CPA profession truly needs to be regulated by the state or if the CPA Society would be capable of handling it independently. Mr. Bolinger answered that there is a compelling reason in support of state regulation. The Enron scandal twelve years ago that enacted the Sarbanes-Oxley Act in 2002 could have been prevented by an outside audit. Federal statute requires an outside audit of the work done by licensed CPAs. The Indiana CPA Society supports regulatory structure in the state, but it would be possible to conduct it autonomously if needed.

Col Wilson asked if three years is an appropriate renewal rate for CPA licenses. Mr. Bolinger responded that with the velocity of change in the market and professional standards, it could be useful for renewals to occur every year. The three-year renewal rate was trending nationally, so Indiana followed.

Mr. Bolinger discussed that he believes that it would be beneficially to the professional if Continued Professional Education (CPE) was eliminated as a requirement for license renewal. He argued that it should be the firm's responsibility to keep their CPA's competent, and the state shouldn't bother with regulating it. Maintaining yearly CPEs is time consuming, it reduces a firm's efficiency, and it passes on extra costs to the clients. This regulatory structure exists to weed out the minimal number of "deadbeats"

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who will do the bare minimum to get by as a licensed CPA. Mr. Bolinger believes that the overwhelming majority of CPA firms will always do the right thing to keep their CPAs educated.

Col Wilson asked about the necessity of issuing firm permits if the individual CPA licenses are already heavily regulated. Mr. Bolinger responded that Enron is still a great example. A highly regarded accounting firm was put out of business by the Enron scandal partially due to a lack of impartial oversight. An individual does not issue an opinion on a business's finances, a firm does. The state should issue firm permits to reserve the right to discipline a firm if something goes wrong. Currently, the AG's office can go after an individual CPA or firm if there is a violation. Not all firms are corporations, so that is why the state needs to clarify the boundaries of a firm with a permit. Every state requires a firm permit.

Allen Pope asked if having more specialized CPA licenses would be friendlier to the business community. For example, the Cosmetology board could reduce the number of licenses they offer, but that would require barbers to learn how to paint toenails. Therefore, a wider variety of licenses makes it easy for professionals to get licensed in their specific trade. On the State Accountancy Board, accountants have different scopes of practice even though they have the same CPA licenses. Mr. Bolinger elaborated that CPAs are prohibited from engaging in any accounting activity that they are not qualified to complete. Mr. Pope asked if a special CPA license for specific scopes of practice would be helpful. Mr. Bolinger responded that specialized credentials already exist from other organizations to help narrow down a CPA's scope of practice. The marketplace is a strong force that takes care of most specialized accounting needs, and there is no need for the state to get involved in this as they will not be able to keep up the changing pace of the marketplace.

#### **Concluding Discussion by the Committee**

Chairman Rhoad thanked the committee and attending staff. He believes that the committee is off to a strong start to continue the conversation in later meetings. He reiterated that the committee's purpose should be to ask hard questions about providing effective service and appropriate regulation as public servants.

Col Wilson suggested that it would be helpful to have presented material ahead of time, so committee members could have a chance to look it over. Col Wilson believes it could help the committee to be more efficient, and Chairman Rhoad agreed.

Chairman Rhoad also discussed that going forward the committee will meet every third Thursday of every month with the exception of November and December due to conflicts with state holidays.

#### **Adjournment**

Chairman Rhoad adjourned the meeting at 12:35 PM.

**Job Creation Committee**  
**Next Scheduled Meeting**  
October 16, 2014  
Indiana Government Center South  
Conference Room W064

## **Job Creation Committee**

### **Minutes of the October 16, 2014 Meeting**

#### **Call to Order & Establishment of Quorum**

The Job Creation Committee (JCC) meeting was called to order by Chairman Nick Rhoad on Thursday, October 16, 2014 in Conference Room W064 at 9:15 a.m.

Committee members present:

- Nicholas Rhoad, Chairman
- Richard Wilson
- John Wright
- Stefanie Krevda
- Chad Timmerman
- Allen Pope
- Barbara Quandt

IPLA staff members present:

- Ben Evans
- Nick Goodwin

#### **Adoption of Agenda & Review of September Minutes**

Chairman Rhoad requested a motion to adopt today's agenda and a motion to adopt the minutes from the September meeting. Nick Goodwin needs to be added to the list of IPLA staff members present, but no other changes are needed to the September JCC minutes. Col Wilson motioned to approve, Mr. Timmerman seconded. Motion carried.

#### **Committee Discussion & Recommendation for Board of Accountancy**

Upon reviewing the committee's recommendation for the Board of Accountancy, Chairman Rhoad felt that the committee needed to agree on the language used for item 11. He explained that the other information in the recommendation is fact-based and objective, but item 11 is the group speaking with one voice. Col Wilson asked if our recommendation was to consolidate everything down to one board to oversee accountants. Mr. Rhoad said that the committee could make that recommendation under the statute. Mr. Wright inquired about the language regarding firm permits and reciprocity against firm licenses versus individual licenses. Col Wilson explained that firm permits aren't treated as individual licenses. A representative from the CPA Association explained that Indiana's laws allow firms with permits from other states to practice in Indiana as long as they follow the requirements necessary for licensure in their permit's respective state.

Col Wilson suggested changing the language in the recommendation from "this firm permit" to "a firm permit."

Col Wilson had a question about page one, item two of the committee's recommendation. It states that there is no way to determine the actual cost of the licenses. Should the committee really be implying that the cost of CPA licenses is arbitrary? Mr. Rhoad explained that legislators like to know these kinds of things. The phrasing can be reworded to say that the licensing fees from these boards do not stay with the profession but instead go into the General Fund.

Col Wilson motioned to accept the document as amended with the freedom of the PLA staff to make necessary changes. Mr. Wright seconded. Motion carries.

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#### **Presentation from the State Board of Registration for Architects & Landscape Architects**

Amy Hall, Board Director, presented to the committee and discussed license types, license functions, and the establishment and role of the Board. The Board has six staff members, and all staff members also service other boards as well since the PLA is an umbrella agency. Ms. Hall explained the cost of the licenses and where the money is allocated. Dues for professional organizations like NCARB and CLARB are paid for by the Board's enforcement fund. She also explained other associated licensing fees.

Col Wilson asked about the length of the renewal period, and Ms. Hall explained that it is two years. Col Wilson also asked about how enforcement was funded prior to the establishment of the enforcement fund? Ms. Hall did not know.

#### **Presentation from the Indiana Attorney General's Office regarding Architects & Landscape Architects**

Allen Pope presented. Mr. Pope reiterated that the AG's office does not investigate until they receive a complaint. He explained the processes used by case analysts and investigators to discover if a complaint has merit. 2012 saw a huge increase in consumer complaints that ultimately ended in litigation, when it was discovered that a large number of architects were practicing with expired licenses.

Ms. Stefanie Krevda asked Mr. Pope to provide a breakdown of the nature of the complaints received. Mr. Pope explained that most complaints end in a cease & desist letter, a minor administrative error with a license, or no violations are found. He also explained that fines and reprimands are issued against license holders, while cease & desist letters are used for unlicensed professionals. Stefanie asked if most consumer complaints that end up in litigation are about unlicensed individuals. Mr. Pope said that the data confirms that, however, it's not a trend in other professions.

Mr. Pope also explained to the committee that Landscape Architects have considerably less consumer complaints. In 2012, there was a significant increase in construction which led to more industry activity and therefore more consumer complaints.

#### **Report from American Institute of Architects Indiana**

Jason Shelley, Executive Director of AIA-Indiana & Indianapolis chapters presented to the committee. Mr. Shelley discussed AIA history in Indiana as a non-profit organization serving 700 Hoosier architects. He presented the four steps to licensure as education, internship, examination, and licensure. Mr. Shelley explained the profound economic impact of the profession, as in general, the health of the economy is tied to the building sector. Careful licensure of this profession is important, as effective oversight of architects ensures the safety of citizens who use buildings designed by architects. Architects work to anticipate and respond to humanity's needs, including ADA issues, public health/safety, and sustainability.

Mr. Shelley discussed AIA Indiana's ideas for possible improvement from the IPLA Board. Overall, AIA Indiana's members are very happy with the service provided by IPLA. However, they are wanting more robust and dedicated efforts to enforce violations. The current general attitude in the profession is that there is little deterrent to avoid violations, since it seems to be "no big deal" when one is caught.

Mr. Rhoad asked for Mr. Shelley's definition of the practice of architecture. Mr. Shelley responded that some unlicensed individuals advertise themselves as architects, and those reports go straight to the AG's office. AIA would like to have the State Board of Licensed Architects enforcing those licensing violations. Col Wilson asked how the State Board would pursue violations differently than the AG's office. Mr. Shelley explained that the Board has more knowledge of the profession and how the severity of a violation could threaten public safety, whereas the AG's office may not fully understand the urgency of certain violations. Mr. Pope included that the Board has issued five cease & desist orders, and the AG's office is not the final word on enforcement of this professional license. Mr. Shelley responded that as far

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as he understands it, the only authority that the Board has is over licensed individuals. Col Wilson asked if an unlicensed violator continues to practice after a cease & desist order, would it then become a criminal matter. Mr. Pope responded that yes, but it could also be a criminal matter before a cease & desist is issued depending on the type of violation.

Mr. Shelley continued his discuss AIA's suggestions for improvement. AIA would like to see the fines collected for violations dedicated to an investigative fund instead of going back to the general fund in order to help support more robust investigations. AIA would also like to see more communication from the Board/IPLA to architects and firms. The communications could include recent fines/violations from those in the profession, news/updates about licensing issues, etc... AIA Indiana members ask about it frequently. Mr. Shelley also mentioned that the state used to have a licensing ceremony for newly licensed architects. AIA Indiana members also ask about this a lot as well.

Col Wilson asked Mr. Shelley if he believed that AIA-Indiana could act independently as an agent of the state to license architect professionals. Mr. Shelley believes it could not be done, as AIA-Indiana does not have the staffing or resources. Mr. Rhoad asked if AIA-Indiana could do it if they had the resources. Col Wilson explained a hypothetical situation where the state gave \$20 out of every \$120 licensing fee collected to AIA-Indiana to use as resources to oversee the licenses in this profession. Mr. Shelley stated that it could be possible, but likely difficult. Currently, all 50 states use state agencies to license architects, so there is no precedent. Mr. Shelley asked if liability would fall on AIA or the state if something bad happened. Mr. Pope clarified that as long as the state (or AIA acting as an agent of the state) went through all proper procedures to license an individual or firm, there would be no liability. Ms. Quandt asked about the number of architects in Indiana who are not AIA members. Mr. Shelley responded that about half are not AIA Indiana members.

Mr. Rhoad asked if two years is an appropriate renewal cycle. Mr. Shelley responded that it seems to be, as there are no complaints from AIA members. Mr. Rhoad explained that the two-year renewal cycle is typically related to the General Assembly's budget cycle. He also inquired about the cost of continuing education for this profession. Mr. Shelley responded that the AIA Indianapolis chapter offers one free learning unit per month every year. It's a benefit of an AIA membership to have access to free CE credits if a member wants to utilize it. Larger firms will often provide their own learning units and bring outside people to provide CE courses for their licensed employees. Generally, the cost of CE credits can be free if you know where to look.

Mr. Wright asked about the types of licenses in this profession. Does the Board oversee professional corporation licenses? Mr. Shelley responded that the Board does not license corporations, but the Secretary of State and Secretary of Commerce takes care of that by issuing certificates of authorization. Each state has its own requirements to practice architecture as a firm. An individual license gives one the freedom to practice as a sole practitioner. Col Wilson asked about the 96 architect corporate licenses issued by the Secretary of State. Mr. Shelley responded that someone doesn't have to be a licensed architect to own an architect firm. As long as they employ a licensed architect on staff, they can advertise and offer architect services.

Regarding CE credits, Col Wilson asked if 12 credit hours per year provided a sufficiently high level of professionalism in the field. Mr. Shelley responded that the AIA requires that its members complete 18 CE credits per year, and most architects find it difficult to stay employed if they do not stay current with their CEs. Mr. Rhoad asked if the state government should be involved in mandating CEs, or should staying employed be incentive enough to keep up with CEs as an architect? Mr. Shelley responded that in a perfect world, CEs would not need to be mandated. He also asked that how far down the road can government involvement be avoided before things go badly? The health/safety/welfare aspect of the public is very important in this profession, and getting the state involved in preventing violations by

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requiring CEs can help prevent public safety issues in buildings later. Mr. Timmerman asked if it is more or less efficient to devote government resources to the inspection process of buildings instead of the professional licensing of architects and their CEs? Mr. Shelley responded that it's cheaper to oversee licensing, since that can prevent costly and dangerous building mistakes later. Also, catching mistakes on the inspection level could increase construction costs significantly which could inhibit overall levels of construction.

Ms. Krevda asked about the reciprocity aspect of Indiana's architecture licenses. Mr. Shelley responded that Indiana's licenses are simple and similar to other states. NCARB is a professional organization that handles a lot of the federal licensing issues that helps you get licensed in multiple states by keeping track of which exams you pass and where you are licensed. NCARB will also send your licensure paperwork to other states on your behalf. AIA Indiana would like to see some kind of ethics course added to the licensure path, as most other states have an ethics aspect of their licensing requirements. Mr. Wright asked if NCARB has any ethics requirements for their membership. Mr. Shelley responded that neither NCARB nor AIA requires their members to take ethics courses. AIA Indiana believes that the IPLA is doing a good job of protecting the public without overstepping.

Mr. Pope asked why commercial buildings and homes don't fall apart more often if there are loose requirements to become a licensed architect. Mr. Shelley responded that most homes and buildings are cookie cutter building plans designed by other architects. Also, architects are more like conductors of a "building orchestra;" they are trained in all areas, but they typically rely on experts for specific aspects of construction. Les Smith, faculty at Ball State, spoke up and mentioned that the data from the landscape architect exam demonstrates that the majority of candidates do not pass construction aspects of the exam until they have had 2-3 years of experience in the profession and have had a chance to apply those practical skills.

Mr. Rhoad asked if the IPLA is really the right home for overseeing this profession, since it is so heavily involved with public safety. Should the Dept. of Homeland Security take it over? Mr. Shelley responded that maybe a collaboration to help with the checks and balances of licensure requirements might be helpful. However, the fact that Indiana has had so few issues within this profession is a testament to the fact that the current system is working.

Mr. Timmerman asked if the internship program required for licensure is normal for other states as well. Mr. Shelley responded that all fifty states require internships for licensure in this profession. Mr. Timmerman added that there is a problem of the availability of these internship slots due to the recession. Are there any solutions to that? Mr. Shelley acknowledged that AIA Indiana is aware of the problem. Recessions hit this industry hard since construction slows when the economy is bad, so without new construction, fewer architects are needed. NCARB and AIA are very concerned about the age of current licensees in the profession, as approximately 50% of AIA members and NCARB subscribers will be retiring in the next ten years. There might be a nation-wide shortage of architects on the horizon. Mr. Timmerman asked if the current internship requirement would limit people from entering the profession if those internship spots are hard to find. Mr. Shelley responded that it could be a restrictor, but we cannot afford to lower licensure standards without jeopardizing public safety.

Col Wilson asked if AIA Indiana could handle the architect licensing ceremony instead of the state. Mr. Shelley responded that it could be possible, but it would detract from the gravitas of the ceremony. Mr. Rhoad added that the current IPLA resources do not allow the time or staffing to plan an annual ceremony for these professional licenses. Mr. Shelley responded that AIA is a volunteer organization, and that he is the only paid employee. Their organization does not have the resources either to privately handle the oversight of licenses or planning a ceremony.

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#### **Report from Indiana Chapter of the American Society of Landscape Architects**

Stacy Haviland, president of the INASLA, presented a PowerPoint to the committee. The executive committee of the Indiana chapter is comprised of volunteers, while the national organization does have paid employees. Ms. Haviland explained the landscape architect profession, the path to licensure (education, experience, examination, and continuing education), and the economic impact of this profession.

Col Wilson asked about the nature of continuing education for this profession. What are the health/safety/welfare aspects? Ms. Haviland responded that new methods and ideas about effective water drainage protects things like building foundations, so it's important to stay educated. Also, with walkability becoming a popular aspect of city planning, it's important to stay up to date with information that will help landscape architects create stable, lasting designs that minimizes expense and damage while utilizing good engineering practices. Ms. Haviland continued her discussion of the economic impact of landscape architect licenses. The health and impact of the economy is tied to the building sector, and this profession can help raise poverty levels in some areas by increasing walkability through their designs.

Mr. Pope asked about the intersection of the architect and landscape architect professions. Would an architect be able to practice as a landscape architect without needing a second license? Ms. Haviland responded that architects would need to hire a civil engineer or landscape architect if they needed expert input on aspects of constructions such as hydrology.

Col Wilson asked if INASLA, given the opportunity, would be able to act as an agency of the state to manage the licenses of this profession. Ms. Haviland responded that it could be possible with resources, but she does not believe that it is in the best interest of the profession. As a consumer, she would not want an organization promoting the profession while also managing the licenses. Col Wilson explained that the State Board would still investigate and enforce violations, but the services that IPLA provides this professional would be under the control of INASLA. Ms. Haviland did not feel comfortable giving the committee a solid answer. Ms. Quandt asked about the number of landscape architects who are not members of INASLA. Ms. Haviland responded that the Indiana chapter only has 200 members, and not all members are licensed professionals. As a member of INASLA, there might be a concern regarding the neutrality of state laws being carefully administered without the interference or special interest of members of the organization. The organization is governed by bylaws from the federal organization, so national bylaws would need to change before an Indiana chapter could change bylaws for this state.

Mr. Rhoad asked if this profession could be taught at Ivy Tech or another community college instead of being a four-year classical degree. Ms. Haviland explained that there are different education requirements in the path to licensure, and one can have eight-years of experience in the field to be licensed without a college degree. Mr. Timmerman asked why there is a three-year experience requirement for college-educated landscape architects, as opposed to a one-year internship for architects? Ms. Haviland explained that the profession is so broad that more experience is usually necessary. Data shows that it takes about two years of experience in the field to pass all aspects of the exam. Mr. Timmerman asked about the credit hours required for continuing education. Ms. Haviland explained that as technology changes so often, that learning new computer programs or business practices are necessary for being successful in this profession.

Mr. Timmerman asked if the internship requirement might be prohibiting entrepreneurship in this field. Ms. Haviland explained that there are a lot of variables that come into solving a problem in a project in this profession, and an individual who hasn't seen complex projects getting resolved to meet health, safety, and budget concerns may have problems later. Internships are worthwhile to give a better foundation for students, whether they choose to go alone or join a firm.

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Ms. Quandt asked if INASLA had any recommendations for improvements. Ms. Haviland responded that the organization is satisfied with the status quo, but they agree with a few things suggested by AIA Indiana. A licensing ceremony would be nice, and they would like to see stronger enforcement for violations.

Mr. Rhoad asked about the number of people who may have been harmed in the last ten years by the incompetence or poor planning of landscape architects. Ms. Haviland responded that she is not sure, but nationally, other projects have failed due to poor geological grading or design aspects.

Col Wilson asked if it would be possible to design a course of study at the junior college level or trade school level in a very specific and focused way so that a student would only have to take relevant courses to enter this profession. Ms. Haviland responded that it is possible to have a hybrid path that includes trade-relevant courses, but students still need business knowledge, contractual information, etc. A focused curriculum may not provide a student with everything they need to know, but it might be worth taking a look at other models for such a program.

#### **Break for Lunch**

The committee reconvened at 1:30 PM.

#### **Presentation from the Home Inspectors' Licensing Board**

Jeanette Langford, Director of Home Inspectors Licensing Board, presented information to the committee about the license types, functions, and fiscal responsibilities of the Home Inspectors Licensing Board. She explained that the home inspectors have the highest licensing fee of any other professional license.

Col Wilson asked who is responsible for setting the licensing fees. Ms. Langford answered that the fees were set by the rules voted on in 2003, and that the Board at that time chose to set the fees at the maximum. Col Wilson exclaimed that the high fee sounds like extortion and that the state should not be charging so much. Mr. Rhoad added that the high licensing fee is in addition to what the home inspectors pay for continuing education requirements. Ms. Langford explained that the Board has recently determined that they would like to lower the fees to a more appropriate level. None of the original board members who voted to set the fees so high in 2003 are now on board. The Board would like to see the licensing fees set to a \$50 renewal fee.

Col Wilson asked if it's necessary to have an assistant director and a director to just manage four customer service representatives. Ms. Langford responded that yes, it is necessary as they manage five different boards. Col Wilson asked if she felt that the board was understaffed, and Ms. Langford responded that she believes they have a good balance at the moment.

Col Wilson asked if she felt it was necessary to have separate boards for different professions, or if all of the licensing boards should be consolidated. Ms. Langford responded that it wouldn't make a difference on an administrative level, but customer service could suffer as some boards may not get the attention they need. Col Wilson commented that it seems like there is a lot of infrastructure supporting these things, and he wonders if there is too much oversight. Mr. Rhoad asked about how much time it takes for Ms. Langford's staff to prepare for the various Board meetings, and how packed are the agendas for the current board meetings. Ms. Langford responded that each board meeting lasts about 6-8 hours.

#### **Presentation from the Indiana Attorney General's Office regarding Home Inspectors**

Mr. Pope presented again to the committee.

Col Wilson asked about the lowest levels of repercussion issued by the AG's office for professional license violations. Mr. Pope responded that the level of severity contains warning letters, reprimands,

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mandatory continuing education, probation, suspension, revocation, and cease & desist. He also explained that technically, the most severe penalty that can be imposed by the AG's office is a suspension for a period longer than seven years.

Ms. Krevda asked if Mr. Pope had a breakdown of the type of complaints that make it to the litigation process. Mr. Pope said that a breakdown is available, and most of the recent violations were from licensed individuals who committed some kind of violation. Only a few were cease & desist orders. A violation doesn't necessarily indicate criminal activity, and it usually stems from an administrative error or failure to get continuing education.

#### **Presentation from the Indiana Chapter of the American Society of Home Inspectors**

Danny Maynard, INASHI President, presented to the committee.

Col Wilson asked about how many hours of continuing education do home inspectors need? Mr. Maynard responded that sixteen hours per year are required and that INASHI provides continuing education training for \$7/hour for members and \$10/hour for non-members. It's cheaper than the \$10-15/hour you find in the private sector. Mr. Maynard believes that this kind of extensive, required continuing education discourages "hobby practitioners" from deciding to "try their hand" at this kind of profession due to the low licensing fee.

Mr. Maynard thinks that about 85% of the homes sold in Indiana are inspected by a licensed home inspector before the sale. He believes that roughly one of our every 29 inspectors receive a complaint sometime in their career, but those numbers are approximate. Mr. Maynard is generally in favor of keeping the Home Inspectors Board just the way it is. He recalls that there was once a legislative committee that discussed merging it with the Real Estate Commission, but he believes that it could create a conflict of interest if the home inspectors are voting on realtor issues and vice versa. It could ultimately add another obstacle in the process of keeping the home buying process smooth.

Mr. Maynard also discussed a few possible changes to the Home Inspectors Board. It may not be very popular at first, but he believes that establishing a uniform inspection report would help clarify home inspection reports. The way reports are outlined currently is up to the home inspector, and sometimes it's hard for realtors to get the information straight-forward since the report itself is so subjective. Col Wilson asked if a report could be generated where the information required is in the same place in the report, but the individual can add their specific information. Mr. Maynard responded that yes, it is possible. Texas implemented a uniform inspection report. Overall, INASHI thinks that IPLA does a great job overseeing the profession.

Mr. Rhoad asked if there is currently not a requirement for a home sale to have a home inspection. Mr. Maynard responded that a home inspection report is not necessary unless a bank requires it. Most mortgage lenders have even dropped the termite inspection requirement.

Mr. Rhoad asked that since home inspectors already have two or three national trade organizations that set national standards for the trade, would it be wise to require that those wanting a license be an active member of one of those trade organizations. Mr. Maynard responded that the level of requirements for membership in these trade organizations varies greatly, and some have no requirements. Others have a test or experience requirement for membership. All of the trade organizations compete for members in different ways.

Col Wilson asked if home inspectors in Indiana do business out of state. Mr. Maynard responded that it happens in border towns. Some other states have lengthy apprenticeships required for licensures.

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Mr. Rhoad proposed a further discussion of the licensing fees for this profession. He believes that this is an honest profession, like many others, and \$450 every two years is just an inappropriate amount—especially since none of it goes to consumer protection. The fee amount is arbitrary and limits entry access to this profession. He doesn't see what value that adds to protect consumers or professionalize the industry. Col Wilson added that he believes it is state-sanctioned extortion. Mr. Maynard added that at the time the fees were set, it was not yet known how much it would cost to fund the Board functions. Col Wilson added that if the profession does not require a college degree or a specified extensive body of knowledge, it should not cost this much for licensure.

Ms. Quandt asked if Mr. Maynard would personally support lower licensing fees. Mr. Maynard responded that it would be a big savings to those in the profession, but it could invite “hobby inspectors”. Mr. Rhoad asked why “hobby inspectors” would be troubling. The committee's goal is to make it easier for people to enter these professions. Mr. Maynard explained that he agrees that the fee is too high, but he believes that lowering the licensing fee could attract those who are not going to exhibit the kind of quality that organizations like INASHI are trying to promote within the profession.

Col Wilson explained that he feels that the high licensing fee is an artificial barrier or a “pay to play” for the industry. Mr. Maynard elaborated that he would like to see more experience requirements if the licensing fee is lowered, but that would require a trip back to the legislature.

#### **Concluding Discussion by the Committee**

Ms. Quandt proposed that if INASHI wants to create some kind of barrier to entry with the higher licensing fees, what if the initial licensing fee was high, but the renewal was much cheaper. Mr. Rhoad added that it would ultimately be the Board's decision to give the committee a figure for a new licensing fee. Col Wilson asked if it would be easier to use a metric to determine a new fee instead of just making up a fee. That would prevent some Boards from charging \$450/year and another charging \$50/year with no rhyme or reason. Ms. Quandt asked if the license fee should have some relation to the cost of processing that license. Mr. Rhoad explained that as IPLA is an umbrella agency, fees collected from licensing are collectively passed on into the General Fund. Col Wilson asked that perhaps a better recommendation to the legislature would be to change PLA to a working capital fund instead of an umbrella agency that would ultimately give the IPLA more control over their collected fees. That way, any “profits” after the costs to administer IPLA's programs could be used towards solid enforcement of the various licenses. Any leftover money could be given back to the General Fund. Mr. Wright suggested that the next step would be to develop the metrics to determine funds and maximize efficiency. Successful companies know their costs, so figuring out the actual costs of processing each of these professional licenses would help the committee better generate the metrics necessary to appropriately assign licensing fees to professions.

Mr. Timmerman explained that since the IPLA has such a complex fee structure, it's difficult to explain. Ms. Krevda added that regardless, it's important to make things more transparent in regards to the licensing fees. It seems that each individual board wants more funds dedicated to the enforcement of their licenses, and there must be way to provide them with those resources.

#### **Adjournment**

Chairman Rhoad adjourned the meeting at 3 PM.

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE  
January 15, 2015**

**APPENDIX III – JCC Meeting Minutes**

Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

## **Job Creation Committee**

### **Minutes from the January 15, 2015 Meeting**

#### **Call to Order & Establishment of Quorum**

The Job Creation Committee (JCC) meeting was called to order by Chairman Nick Rhoad on Thursday, January 15, 2014 in Conference Room W064 at 8:55 a.m.

Committee members present:

- Nicholas Rhoad, Chairman
- Richard Wilson
- John Wright
- Allen Pope
- Barbara Quandt
- Ryan Miller, OMB designee
- Timothy Reed

IPLA staff members present:

- Nick Goodwin

#### **Adoption of Agenda & Review of October Minutes**

Chairman Rhoad requested a motion to adopt today's agenda and a motion to adopt the minutes from the October meeting. No changes are needed to the October JCC minutes. Col Wilson motioned to approve, Barbara Quandt seconded. Motion carried.

#### **Presentation from the State Board of Registration for Professional Surveyors**

Amy Hall, Director of the State Board of Registration for Professional Surveyors presented to the committee. Ms. Hall explained the three different kinds of license types and their functions: land surveyor-in-training, professional surveyor, and an engineer professional corporation. The Board's role is to review the credentials for applicants, administer licenses to those who qualify, and implement disciplinary actions when necessary. The Board is staffed by six positions, including one director, one assistant director, and four customer service representatives, which comprise of a group within the agency. This group is structured to oversee the administrative work for other boards in addition to the State Board of Registration for Professional Surveyors. There are eight groups within the PLA, which constitutes as an umbrella agency. Ms. Hall also explained the cost of licensing fees for both in-state and out-of-state applicants.

Mr. Rhoad asked about the cost for an individual to take the NCEES exam for this profession. Ms. Hall responded that the exam cost is included in the application fee paid to the Board. Col Wilson asked about who sets the fees for these licenses and how Indiana's fees compare to other states. Ms. Hall responded that the Board sets the fees and that Indiana's fees are in line with other surrounding states.

Concerns were addressed by the committee about the purpose of the surveyor intern license. Mr. Pope responded that from the AG's perspective, the surveyor intern license doesn't give any authority; it simply shows that they are studying that field and verifies that they are working under the supervision of a professional surveyor. Col Wilson asked about the purpose of charging \$10 per year for this license if it gives the person no authority other than to prove their status as a student. He feels that it is pointless and unnecessary. Ms. Hall responded that the \$10 is a one-time fee that provides the surveyor intern with a certificate that will allow them to work under a professional surveyor. Mr. Jason Coyle spoke up from the audience about the surveyor intern license, and he explained that the intern license is necessary through

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NCEES to sit for the exam after you complete your four-year education. Mr. Coyle explained that it is just a part of the track to licensure, and that all 50 states recognize the surveyor intern license.

Ms. Quandt asked if someone can become a licensed surveyor through experience rather than education. Mr. Coyle responded that either a four-year program completion or a two-year program with two-years of experience is required to become a professional licensed surveyor. Mr. Pope asked if someone can practice at all in the field if they do not have a surveyor intern license or a professional surveyor license. Mr. Coyle explained that a lot of people work under the director of a professional surveyor either assisting surveyors on the job location or in the office, but they do not directly work as a licensed surveyor. Mr. Gary Conton spoke up from the audience and mentioned that many advertisements for surveying jobs require that individuals have at least a surveyor intern license because it verifies that the person is on track to become a professional surveyor.

Mr. Rhoad asked Ms. Hall if the Board faces any challenges with these licenses. Ms. Hall explained that the application process for this profession is very complicated. There are a lot of schooling hours to add up and verify. Also, the exam for this profession is only administered twice per year, so it is difficult to coordinate and make sure that people are registered on time and ready to test.

Mr. Rhoad stated that from an administrative standpoint, the fees for this professional license seem arbitrary and bothersome. He suggested that at the next committee meeting, the committee should have a high-brow discussion about fees like this in general. Fees are wildly inconsistent across various boards, and it seems to make no sense. The funds aren't dedicated to the agency; they are reverted to the General Fund. To him, it seems to benefit no one other than the State's budget surplus. He suggests that the committee should discuss if the idea of a Working Capital Fund would be more beneficial to these boards and other professions in general. It seems that a lot of these fees are meant to stand as barriers to entry, and that doesn't help keep Indiana as a 'State that Works.' Mr. Rhoad asked for OMB's stance on arbitrary licensing fees as concerns the State's budget.

#### **Presentation from the Indiana Attorney General's Office regarding Professional Surveyors**

Terry Tolliver, Deputy AG, presented to the committee. He explained that in 2014, most complaints came from consumers and the IPLA. Most complaints regarded professional incompetence, although some involved people practicing without a license. Most complaints resulted in no litigation or just probation for the individual.

Mr. Rhoad asked Mr. Tolliver to explain more in depth about the harm to consumers regarding these complaints, specifically about what it means to settle a complaint. Mr. Tolliver explained that settling is generally best for most complaints, and usually the violations are fairly clear in this profession. If the issue can be resolved without litigation, then that tends to lead to better outcomes and preserves the AG's resources. It is also more beneficial to the professional, as it keeps them working as opposed to getting suspended or barred from the profession.

Mr. Rhoad asked for Mr. Tolliver to explain the cost for the AG's office to process a consumer complaint and take it to the settlement level, if it is quantifiable at all. Mr. Tolliver responded that it is possible to quantify the costs, but there are many circumstances to consider. He explained that sometimes, a professional is very responsive to the initial letter from the AG's office regarding the consumer complaint and wants to resolve things quickly. Other times, the professional insists on fighting the complaint and wants their day in court. Col Wilson asked that if an environment where the professions are providing the funding to conduct all of this enforcement work (such as a working capital fund situation), could the AG's office establish a billable hourly rate to conduct those kinds of investigations in order to recover the costs to taxpayers. Mr. Pope chimed in and estimated that it probably costs approximately \$700 per complaint

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on average, and that figure is based on the amount of employees in the AG's office who are processing a certain amount of claims per year, plus the salaries of the employees. Mr. Pope explained that settlements with the AG's office are different than settlements in civil or criminal cases because the Board oversees them.

Mr. Rhoad asked Mr. Tolliver to explain how these consumer complaints present potential harm to a consumer in this profession, and he also asked for him to explain what kind of harm he sees alleged in this profession. Mr. Tolliver explained that within the 2014 complaints that he reviewed, most of them regard financial issues. Complaints of professional incompetence where consumers want their money back after a faulty land survey causes them to have to move a fence or consumers losing value to their home due to improperly surveyed property lines are issues he sees frequently. Mr. Rhoad asked Mr. Reed how often consumers directly hire their land surveyors. Mr. Reed explained that it almost never happens, and that the real estate agency or engineers working on the build hire the surveyor.

Col Wilson asked Mr. Pope that if most of the complaints are coming from other professionals versus coming from consumers – would there be a way to use that information to make some value judgments about the oversight of the profession? Mr. Pope agreed that it would be possible, but as the AG's system was set up a long time ago, there isn't a way to clarify the type of complaint of where exactly it's coming from (consumer versus professional making the initial complaint).

Mr. Rhoad asked Mr. Tolliver to explain in regards to the enforcement of surveyors, how often during the investigation does the consumer mention a landscape architect or engineer. Mr. Tolliver responded that those professions are usually not a part of the complaint. The complaints are generally against one person and not a firm. Mr. Rhoad wanted to discuss why the professional surveyors, architects, and engineers are all under separate boards. He explained that it might make more sense to have them supervised under one board since the professions seem more intertwined. Col Wilson added that it might make sense to condense these 38-40 boards into 5-6 boards with 15-20 staff each. Col Wilson asked if there might be opportunities to condense some of these boards and shrink taxpayer cost. Mr. Rhoad responded that the issue is not as much about consumer cost, it's about consumer confusion. There may be initial confusion about where consumers can call to complain about these professions if everything is condensed. Mr. Tolliver is happy to conduct research about the possibility of multiple professions being included in a complaint against a surveyor. Mr. Pope added that sometimes professionals find themselves facing multiple boards, depending on the kind of violation that occurred.

#### **Report from the Indiana Society of Professional Land Surveyors, Inc**

Jason Coyle, President of the Indiana Society of Professional Land Surveyors, presented to the Board. Mr. Coyle is licensed in multiple states, including Indiana. Todd Bauer also presented, and he is currently licensed as a professional land surveyor and owns a practice in Indiana. They explained that the ISPLS has over 525 professional surveyors in Indiana as members of the organization. They also explained the qualifications for a license. An applicant needs a 2-year degree, 27 hours of surveying experience, and four years of practice under a professional surveyor. Applicants also must pass a 16-hour examination; two hours of that test is state-specific, and the rest is national. Around 2,000 people in Indiana are directly employed by or as a professional surveyor, and the wages range from \$25K-\$100K annually. Field crews for this profession used to consist of 3-4 people, but due to advancements in technology, usually only one person is needed. Licensure is important, as only licensed professional surveyors have the education and experience needed to accurately describe and locate legal aspects of describing boundaries. Nearly all private and public contracts involve licensed professional surveyors to assure quality and integrity. Also, licensed professional surveyors are insured, and surveys for all commercial properties and mortgages must be performed to a national standard that only licensed professional surveyors can provide. Certifications in this profession are not the same as a license.

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Overall, the ISPLS believes that the current Board supervising the profession is effective. They believe that the fees are fair, and the ISPLS would support higher licensing fees if it were necessary to maintain or increase service to the profession. They believe that the amount of state-required continuing education is appropriate, and they believe that these requirements have improved the level of competence in the profession. ISPLS suggests that the Board be allowed to pursue modifications to its rules to make education requirements consistent with current technology, practice, and educational offerings. ISPLS wants improved communication between the IPLA/Board and the professionals. More frequent Board meetings can result in less delay in enforcing license violations, as opposed to the current quarterly meetings.

Tim asked Ms. Hall if there was a channel to enforce violations conducted in between the currently scheduled quarterly meetings. Ms. Hall responded that emergency probations can be conducted when necessary, and the Board can hire a private investigator to gather the evidence they need to take the appropriate actions until the next Board meeting. Mr. Todd Bauer spoke up and explained that he has seen some people will bend over backwards to “work the system” and take up as much of the Board’s time as possible and prevents the Board from pursuing other violations and/or effectively enforcing other violations.

Col Wilson asked about ISPLS’s opinion regarding if the State is the best entity to regulate this profession. Could, if given the resources, the ISPLS act as an agent of the state and enforce the professional licenses? Mr. Bauer responded that currently the organization doesn’t have the logistics to handle it, but he believes that the ISPLS is capable of creating the framework to handle such tasks.

Mr. Pope expressed his concerns about the required four-year internship as it seems like a burden and possible barrier to entry, especially for minorities (assuming that the profession favors white males). Mr. Coyle and Mr. Bauer responded that they don’t believe that the apprenticeship requirement creates a barrier, and Mr. Bauer stated that he has never heard of anyone mentioning such a problem. He believes that the required internship is essential to professional competence.

Mr. Rhoad asked about who is generally responsible for ordering services from a professional surveyor. Mr. Bauer explained that banks, businesses, and engineering firms usually hire these professionals. Mr. Rhoad asked if the AG’s office ever resolves or investigates disputes between businesses. Mr. Pope responded that if a complaint is against a licensed individual, then it doesn’t matter if the complaint comes from an individual consumer or a business. Mr. Reed chimed in that banks and businesses are usually ordering the services on behalf of a consumer, so complaints usually still involve consumer protection.

Mr. Rhoad asked about the effects it would have on the industry if the license renewal cycle was extended to seven years. Mr. Coyle responded that he doesn’t believe it would have a major impact, except for the possibility of affecting professionals keeping up with their yearly continuing education requirements. If the profession had a seven year renewal cycle, it might cause people to wait until the 5<sup>th</sup> or 6<sup>th</sup> year to complete their continuing education requirements.

#### **Additional Committee Discussion**

Mr. Rhoad mentioned that most other professional licensing boards insist that continued state licensure requirements are necessary to ensure jobs, which is why the supervising of professional licenses are done by state boards as opposed to professional organizations. Col Wilson stated that he doesn’t have a problem with the licenses themselves, he is more concerned with the cost of the licenses. He believes that if the state oversight of licenses is done properly, then the costs should be able to be shrunk for both consumers and taxpayers.

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Ms. Quandt asked about the amount of money that IPLA generates on a yearly basis. Mr. Rhoad explained that the IPLA brings in about \$15M in revenue for the General Fund, and they are allocated about \$4.5M. Ms. Quandt responded that it seems like the IPLA is a source of revenue for the state. She proposed that the fiscal leaders may wonder how they will come up with the extra money for the State if the committee ultimately decides to shrink licensing fees for most professions. Mr. Rhoad explained that the committee could frame it as a jobs creator, as it would potentially put more Hoosiers to work. Col Wilson added that while politics are important, he believes that the government's footprint should be shrunk and arbitrary barriers should be removed when possible. He believes that those two things are more important than an extra \$10M in the State's General Fund. Col Wilson would like to create a one-stop shop that is effective and efficient in managing these professional licenses. He believes that it should be easier to fiscally evaluate this. Mr. Reed mentioned that his \$50 licensing fees as a real estate agent hasn't change in 35 years.

#### **Break for Lunch**

Chairman Rhoad proposed a motion to break for lunch at 11:15 AM, and Mr. Reed seconded the motion. The committee reconvened at 12:30 PM.

#### **Presentation from the State Board of Registration for Professional Engineers**

Amy Hall presented to the committee again for the State Board of Registration for Professional Engineers. She explained the three different types of licenses and license functions for this profession and mentioned that there are currently 35,000 professional engineer licenses in Indiana. She described the Board's role and staffing, which currently employs one director, one assistant director, and four customer service representatives. The cost of a professional engineer license is \$300 for in-state residents and \$500 for out-of-state applicants. The fees are very similar to land surveyor licenses. She explained that 30 hours of continuing education credits are required at every renewal stage.

Mr. Reed suggested that since this professional license has a similar fee structure, that perhaps it can be condensed with the other land surveyor Board. Mr. Pope disagreed that it would be more efficient to condense these boards as they are different fields of physical science.

#### **Presentation from the Indiana Attorney General's Office regarding Professional Engineers**

Mr. Tolliver, Deputy AG, presented to the committee again. He explained the types of complaints received against this profession in 2014. One complaint was received of profession incompetence, two complaints were by a board of engineers, two complaints were received by engineers arguing incompetence and unlicensed practice, and one complaint was made by IPLA against a business using the word "engineering" in the title without a properly licensed engineer on staff. There were a total of 52 investigations in 2014. Two complaints made in 2014 were against those holding engineering intern licenses, and that's difficult to enforce because the guidelines are not clear about what an engineering intern can actually do.

Mr. Rhoad asked if warning letters sent to violators by the AG's office are public record. Mr. Pope responded that warning letters are confidential. Only written censure by the Board is public, as it is posted on IPLA's public database. Mr. Reed has never heard of a verbal censure in over twenty years. Mr. Pope explained that verbal censure usually occurs at the Board's public hearings, where the professional who committed the violation is verbally reprimanded. Mr. Tolliver clarified that the warning letter isn't necessarily confidential because it's not barred from disclosure if someone asks for it. Either the claimant or the respondent has the power to make that warning letter public, but the AG's office does not go out of its way to publish it.

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#### **Presentation from the Indiana Society of Professional Engineers**

Dr. Scott Haraburda, President of the Indiana Society of Professional Engineers, presented to the committee. He explained the public safety risk of engineering failures and stressed the importance of careful license oversight. He stated that insufficient knowledge is one of the biggest causes of often fatal engineering failures. The purpose of the professional engineering (PE) license is to protect the public from incompetence and misconduct. Licenses and accredited certification are granted using similar credentialing practices, but licenses cover a more broad area of knowledge, whereas certification is more limited in scope. ISPE currently has more than 13,000 licensed PEs in Indiana.

Mr. Pope asked if the engineers responsible for the cited engineering disasters were licensed. Dr. Haraburda explained that some of them were, but they may not have kept up with their continuing education. Ms. Quandt asked if the PE exam has changed much over the years. Dr. Haraburda explained that it has changed quite a bit to keep up with current technology. Ms. Quandt explained that she has heard that the PE exam is very rigorous, and most people do not pass the first time. Dr. Haraburda elaborated that when he took his exam in chemical engineering, it had a 17% pass rate. He added that it is generally not unusual for people to retake the exam.

Mr. Rhoad asked how Indiana's internship requirements compare with other states for this profession. Dr. Haraburda responded that it's the same as other states. Mr. Rhoad asked how it was decided that a four-year internship was long enough to gain competence. Dr. Haraburda stated that some states allow interns to take the second half of the PE exam before the end of their four-year internship, but they still need to finish their four-year internship before officially becoming licensed.

Mr. Rhoad wanted the committee to recognize Harold Sneed for his dedication and hard work for the State Board of Registration for Professional Engineers.

Mr. Bauer stated that the engineering profession is very broad and condensing this board with the surveyor's board may reduce efficiency. He recognizes that the professions share administrative staff, but he believes that the PE profession is too broad to condense boards. Mr. Rhoad suggested that since a lot of the organization's presentation has focused on public safety, should the Indiana Department of Homeland Security be the one overseeing this profession. Mr. Bauer didn't have an answer to that question because he doesn't know how IDHS would handle the licensure differently than IPLA. Mr. Rhoad made a point that he wanted IPLA staff to look into the possibility of IDHS overseeing the PE licenses.

Mr. Pope asked if it would be easier to get into the engineering field if more licenses were offered instead of just one broad PE license. Dr. Haraburda says that it makes sense, but it won't make it easier to become a PE. The current PE exam makes you demonstrate a broad knowledge base plus knowledge from your chosen field of practice. Mr. Bauer believes it would actually make things more complicated to have separate licenses for specific practices of engineering. He explained that the engineering exam has an ethics portion that makes you demonstrate your understanding that you shouldn't practice outside your scope of knowledge.

Mr. Rhoad asked how this profession fits into the manufacturing field. Dr. Haraburda explained that a lot of engineering practices are directly related to manufacturing, and although he has a basic understanding of how these things are manufactured, he is not an expert. He explained that engineers substantially help out the manufacturing field, as all manufacturing facilities need to be designed by engineers. Mr. Bauer said that engineers leverage our ability to make Indiana work.

Ms. Quandt asked if the ISPE would be able to take on enforcement/overseeing of the PE license if given the authority to act as an agent of the state. Dr. Haraburda explained that the ISPE is funded by its 600

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active members, so the fees pay for an administrative staff to run the organization. ISPE currently doesn't have the resources, but it could happen. Dr. Harabura believes that the current IPLA structure of overseeing this license is working well.

Mr. Rhoad asked again about the possibility of IDHS overseeing this professional license. Mr. Reed added that it also might make sense that other professions would be better handled by the Health Department, since ISDH is likely already doing the work to keep those professions accountable anyway.

Ms. Quandt asked if there is anything else that the ISPE would like to see changed in the oversight of their professional license. Dr. Harabura explained that he would like to see more enforcement. Other states have investigative staff associated with their State Board and are generally more effective at apprehending license violations. However, he responded that he has seen very few public safety violations on the Indiana Board, in relation to other states.

Ms. Beth Bauer chimed in from the audience to add that the Fire Safety Commission approves most fire plans for buildings to help avoid public safety issues caused by engineers. She isn't sure that it's efficient to tie professional licensing oversight to the general review of building plans.

#### **Concluding Discussion by the Committee**

Mr. Rhoad asked the committee members if they had anything else to add to the discussion. No committee members spoke up.

#### **Adjournment**

Chairman Rhoad proposed a motion to adjourn the meeting at 2:00 PM, and Mr. Reed seconded the motion. The motion carried, and the meeting adjourned at 2:00 PM.

### **NEXT SCHEDULED MEETING FOR THE JOB CREATION COMMITTEE**

February 19, 2015

Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

## **Job Creation Committee**

### **Minutes of the February 19, 2015 Meeting**

#### **Call to Order & Establishment of Quorum**

The Job Creation Committee (JCC) meeting was called to order by Chairman Nick Rhoad on Thursday, February 19, 2015 in Conference Room W064 at 9:05 a.m.

Committee members present:

- Nicholas Rhoad, Chairman
- Richard Wilson
- Timothy Reed
- Allen Pope
- Barbara Quandt
- Courtney Everett (OMB)

IPLA staff members present:

- Nick Goodwin

#### **Adoption of Agenda & Review of January Minutes**

The committee reviewed the agenda. Col. Wilson introduced a motion to adopt the agenda, and Ms. Quandt seconded. The committee reviewed the minutes from the January meeting. Again, Col Wilson introduced a motion to adopt the agenda, and Ms. Quandt seconded. The committee adopted both documents.

#### **Presentation from the Manufactured Home Installer Licensing Board**

Jeanette Langford, Board Director for the Manufactured Home Installer Licensing Board, presented to the committee. Ms. Langford explained the types of licenses provided by the Board and their functions. She also explained the Board's role, and she mentioned that this Board does have some federal oversight for this license. The Board's staff consists of one director, one assistant director, and four customer service representatives. She explained the range of fees for this license. The fees in general are moderately priced when compared to other professional licenses.

Mr. Rhoad asked Ms. Langford how long the Board's meetings last. She responded that it's twice per year, and the meetings last about an hour. She explained that the State is not required to license manufactured home installers, and we could defer Hoosiers in the field to obtain a federal license instead. Mr. Rhoad asked how many phone calls her Board receives on a monthly basis for this professional license. Ms. Langford responded that they receive maybe three or four calls per month, as it is a very small pool of licensees.

#### **Presentation from the Indiana Attorney General's Office regarding Manufactured Home Installers**

Terry Tolliver, Deputy AG, presented to the committee. He presented the number of complaints received and the results of investigations conducted from 2008-2014. Only two consumer complaints for this license were received in 2014. A total of 33 investigations were conducted from 2008-2014 and only 15 resulted in litigation files opened. Suspensions and cease and desists are the most common result of investigations in this profession.

Col. Wilson asked if most of the litigation cases resulted in some kind of prosecution or litigation being pursued against the companies. He wanted to know of those cases that actually went to litigation, what are the sources of those complaints. He asked if other companies are submitting the complaints or consumers feeling like they got ripped off are the ones complaining. Mr. Tolliver responded that while both sources

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of complaints have occurred, he doesn't have specific examples ready for the committee. Complaints coming from businesses or from within this industry usually involves making complaints against professionals failing to receive their continuing education. Consumer complaints usually involve issues with poor installation of the home causing major expenses to the homeowner.

#### **Report from the Indiana Manufactured Housing Association – Recreation Vehicle Indiana Council**

Mark Bowersox, Executive Director of the Indiana Manufactured Housing Association, presented to the committee. Their organization represents the entire manufactured home industry in Indiana, and includes the manufacturers who manufacture the houses, retailers who sell the houses, and mobile home communities where the consumers live in the houses. In his opinion, it is the most regulated form of housing in the world. As all manufactured home are built to HUD construction code, which is federally regulated, the product can then go into any state and supersede any other building code; it is generally a more efficient building code model in production of the houses. Around fifteen years ago, the manufactured home industry asked HUD to set up a professional license for manufactured home installers. There used to be quality control problems before licensure, as there was little connection or accountability between those who manufactured, sold, and installed the homes. Manufactured homes used to have warranties built into the price that accounted for 4-5% of the total sale price. HUD agreed to set up a program to help uniformly train manufactured home installers to perform up to HUD building code and federal standards. HUD required the states to set up their own state-run licensing programs for the profession by 2005. HUD agreed to set up their own federal program in any state that did not comply. As of today, a few other states still have not set up their state-run licensing programs, but HUD has yet to do anything about it.

Some people ask whether Indiana should continue to maintain this license at the state-level or just let HUD come in and set up a program with federal oversight. Mr. Bowersox's opinion is that the state should keep the federal government out of the license oversight as much as possible. He believes that the federal government takes much longer to process things, and quality control on the products made in Indiana have improved since the state began overseeing the licensure of this profession. Now, only about 1-2% of manufactured home costs are tied up in warranties. The manufactured homes sold in Indiana are built in Indiana, and our state ranks fourth nationally in the construction of these homes. Manufactured homes serve an affordable housing niche, and that is something that Hoosiers need as the average median income in our state is less than \$50,000.

One of the concerns in this industry is the lack of data on the installers and the installations that are taking place in the state. Currently, there is no method or reporting system for manufacturers to indicate that they manufactured, sold, and installed a home. The BMV currently manages a database of mobile or manufactured homes that aren't permanently fixed to a location, but there is no way to track manufactured home installation.

Mr. Bowersox continued that he does not recommend combining this Board with any other board, but he also trusts the committee's discretion on this issue. He believes that it is unlikely that another board will have the same unique concerns found within the manufactured home installer profession.

Ms. Quandt asked Mr. Bowersox how many employees in the industry are licensed. He responded that most employees of the industry are licensed through the state and members of the IMHA.

Col. Wilson asked if the IMHA would be able to collect that data from its members. Mr. Bowersox said that yes, his organization could handle it, but the reporting would have to be voluntary. Col. Wilson responded that it seems that his organization is looking for a regulatory requirement to report data. Mr. Bowersox responded that not all members would be willing to thoroughly report all data, so it would be difficult.

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Col. Wilson asked for more clarification on the BMV's data on manufactured homes that aren't permanently affixed to real estate. Mr. Bowersox explained that manufactured homes are treated in two ways: it is either taxed as personal property and titled by the BMV while the homeowner just leases the ground underneath the home, or the house is permanently affixed to the ground and taxed just like a convention home through property taxes.

Col. Wilson asked Mr. Bowersox to provide his opinion regarding whether the state is the best entity to oversee this profession, or if given the resources, IMHA could handle the responsibility. Mr. Bowersox responded that the IMHA could serve its own industry. However, he would be concerned about the federal government not approving a non-state-run licensing program, as HUD had very strict requirements for the states back in 2005. He repeated that he is very strongly opposed to the federal government taking over the state-run program.

Mr. Reed asked about the 12 states that have the HUD default program instead of their own state-run program for licenses and why they chose that instead of creating their own program. Mr. Bowersox speculates that it is probably because, in those states, manufactured homes compose of less of the housing stock than in Indiana. Those states probably do not feel the need to create a state-run program, since it won't affect many homes, and there is probably not an employment base in the industry in those states.

Mr. Pope mentioned that the statute for this license allows these installers to engage in minor electric and plumbing work. He asked how these installers are able to do these things without a plumbing license, and he asked if anyone has ever complained about the electric or plumbing work done by these installers. Mr. Bowersox responded that he hasn't heard of any specific complaints about that, mostly because any electric or plumbing work mostly just requires making initial connections—nothing extensive. Col. Wilson asked about the difference between mobile home installers and manufactured home installers. Mr. Bowersox explained that the term is somewhat interchangeable. Generally, manufactured homes are built to the federal HUD code, while modular/mobile homes are built to Indiana Code.

Col. Wilson asked about the number of people who are allowed to work under a licensed individual without needing their own license. Mr. Bowersox responded that anywhere from 4-6 people can work under a licensed individual in this profession, and usually those unlicensed individuals are either in an apprenticeship program on a path to licensure, or they are just working part-time. The licensed individual supervising their work is responsible for the quality of the installation of the unlicensed individuals.

Mr. Rhoad asked about the use of formaldehyde in the manufacturing of these homes. Mr. Bowersox explained that most of the conversation about this topic has died down. He elaborated that federal standards don't dictate the use of formaldehyde; the standards just dictate that the house needs to be able to retain a certain amount of heat. What happened in New Orleans with the FEMA trailers is that unqualified volunteers with good intentions were installing a large number of these homes incorrectly. That is not the case with homes manufactured or installed here in Indiana by licensed professionals.

Col. Wilson asked if someone purchases a manufactured home in Illinois, would they still need a licensed installer to install the home in Indiana. Mr. Bowersox responded that despite some differences by the state in the national building code, installation standards are fairly uniform. If someone wants the house installed up to code, they would need to hire an installer with an Indiana license. His organization has trained people from other states to be licensed in Indiana, so they can work here as well.

Mr. Reed asked about the status of Illinois' state-run program for this license. Mr. Bowersox explained that Illinois does not have a HUD-approved state-run program at this time.

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Mr. Rhoad asked Mr. Pope how many resources his office allocates to complaints for this profession. Mr. Pope responded that his office processes very, very few complaints from this profession, and there were zero complaints in 2013.

#### **Break for Lunch**

Chairman Rhoad proposed a motion to break for lunch at 12:02 PM. The committee reconvened at 1:00 PM.

#### **Presentation from the Private Investigator and Security Guard Licensing Board**

Amy Hall, Board Director of the Private Investigator and Security Guard Licensing Board, presented to the committee. There are approximately 910 active licenses in these professions in Indiana, and she explained the license types and functions. The Indiana State Police used to manage these licenses before the Board took over. This Board's staffing is typical of the other boards. Ms. Hall explained the licenses fees: initial issuance fee of \$300 and a renewal fee of \$300.

#### **Presentation from the Indiana Attorney General's Office regarding Private Investigators and Security Guards**

Mr. Tolliver, Deputy AG, presented to the committee again. He presented information regarding all complaints received for this industry and investigative results ranging from 2008-2014. Most litigation files ended with a cease and desist; only a few "no sanctions" issued. A common complaint against the licensed professionals stemmed from the licensee not having the appropriate insurance or license. From consumers, common complaints received mostly regarded a PI not doing a thorough job or never completing the job. One specific complaint was recently on the news that involved a company whose security guards were portrayed as police officers. In that case, the officers wore uniforms very similar to IMPD and drove cars with decals similar to IMPD.

Col Wilson asked if all of these security guards or PIs are licensed to carry firearms. Mr. Tolliver responded that having a license to carry firearms would not license you to be a PI or security guard, nor would it qualify you to own a firm without proper licensure from State. Col. Wilson rephrased his question and asked if an individual were licensed to carry a firearm, would it be legal for them to hire themselves out as a part-time security guard. Mr. Tolliver did not have an answer.

Col Wilson wants to know about the 43 unlicensed practice complaints. Did those complaints come from consumers or the industry? Mr. Tolliver isn't sure, but he would guess that the complaints came from the industry.

#### **Presentation from the Indiana Society of Professional Investigators**

Dave Shelton, President of the Indiana Society of Professional Investigators, and Kim Ridding, President of the Indiana Association of Private Investigators, presented to the Committee.

Col Wilson asked about the difference between the ISPI and IAPI. Mr. Shelton explained that they are two similar organizations formed at around the same time without the knowledge of each other. Both organizations serve the same purpose.

Mr. Shelton read the executive summary from their report. Their organizations help maintain quality assurance to business owners and the public at large. The current licensing requirements are minimal and create a very small cost to business start-ups at just \$75 per year. Both organizations want tougher standards, but they still believe that the minimal standards are still necessary.

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Mr. Rhoad asked about how often members of their organizations come into contact with sensitive information such as social security numbers or private health information. Mr. Shelton responded that they don't usually deal with health information, but SSNs are used on a daily basis. Mr. Rhoad asked about this profession's contact with minors. Mr. Shelton said that with child custody and divorce cases, contact with minors happen occasionally. Mr. Rhoad asked about this profession's contact with weapons. Ms. Ridding explained that most employees have their own personal firearm that they are licensed to carry. Mr. Rhoad asked if the local sheriffs or county police are aware of the PI and security guard firms operating in their area. Mr. Shelton said that in smaller areas and towns, there is more awareness. Larger areas like Indianapolis, he isn't sure due to the high volume of PI firms.

Col. Wilson asked about the merit of licensing a PI or security guard firm as opposed to licensing the individuals. Mr. Rhoad explained that it was a statutory change by the IPLA. It used to be that security guards had an extremely high turnover rate for employment, so it became a nightmare of processing thousands of security guard license applications per year. IPLA decided it would be better to license the business owners and hold them accountable for their employees instead.

Col. Wilson asked if their organizations would be able to oversee the licensing of this profession if they had the resources and were granted the authority to act as an agent of the State. They both responded that they do not believe it would be possible. They explained that there are no continuing education requirements for firms to maintain their licenses and no other training required on a renewal basis. Only one person in a firm has to meet some minimum requirements regarding training or experience, and that entails at least two years of experience in police, military, or insurance investigation or a 4-year degree in criminal investigation, plus 4,000 hours of experience in the field. Ms. Ridding also added that firm or business owners in this industry have to pass extensive criminal background checks to gain licensure.

Col. Wilson asked about the difference between a firm that specializes in private investigation versus a firm that provides security. Mr. Shelton explained that security guards protect people and property while private investigators provide information in a way that can be comprehended. He explained that 45 other states license private investigators. Col Wilson asked if their organization would be in favor of a corporate certification in lieu of a state license. Mr. Shelton disagreed, and he believes that a certification versus a license would cause all kinds of unlicensed individuals from other states trying to start a business here in Indiana without the proper qualifications currently required by state licensure. Col. Wilson asked if the organizations could act as an agent of the state to make changes to the requirements without legislature, and instead using a Board to decide on any potential changes. Col. Wilson added that if the organizations are advocating for more regulations, then perhaps dealing with it themselves might be a good solution for that.

Mr. Shelton explained that their organizations do not offer specific certifications in addition to state licensing. Brandy Lord of ISPI, via Skype, spoke to include that she doesn't believe that their volunteer organizations have the resources to oversee the licenses themselves even given the authority to act as an agent of the state.

Ms. Quandt asked for them to describe a typical firm that would be a member of their organization. Ms. Lord explained that it's all over the board, and some licensed firms are just individuals working by themselves. Ms. Quandt asked for her to clarify what would constitute as a large firm. Ms. Ridding explained that it's hard to know exactly how many people are working within a firm, as there is only data on the number of licensed firms.

Mr. Pope proposed that if the state had certification-optional firm licenses available, then it could be up to the consumer to decide if they want to hire someone certified or not. Ms. Ridding expressed concerns about this because that would lead to no one conducting criminal background checks on everyone doing

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this kind of work. She believes it could pose a danger to the public. Mr. Shelton is unaware of any other state that offers an optional “certificate” for this profession. He explained that a state-issued license allows them access to certain databases of sensitive information that is not available to the public.

Ms. Quandt asked if business owners who carried a PI firm license are required to conduct background checks. Ms. Ridding said that it is not a requirement, but good business owners would never hire someone without a thorough background check. Mr. Shelton added that he believes that Indiana has an incredibly easy pathway to licensure for this profession in Indiana. Illinois, for example, requires an extensive exam, and Mr. Shelton believes that increasing requirements for licensure would only help protect the public. Col. Wilson proposed that with voluntary licensing, the consumers would be responsible for making informed decisions about who they hire for security or private investigation work.

It is noted that Barbara Quandt had to leave at 2:21 PM.

Raymond Myszak, from Star Security & Investigation in Merrillville, Indiana, spoke to the committee from the audience. Col. Wilson asked him about the regulation of security guards, specifically about the difference between mall security, building security, or other guard services. Mr. Myszak explained that some companies have guard forces of their own, and those are called “proprietary guards.” Col. Wilson asked him if the regulatory framework for security guard firms is the same for PI firms. Mr. Myszak explained that at least one person in that security guard firm or business has to meet the licensure requirements. Col. Wilson asked about the threat to public safety caused by low-level security guards who are hired without background checks. Mr. Myszak responded that they could be thieves or dealing drugs while on the job. Ms. Ridding added that low-level security guards would also have access to restricted areas that others do not.

Col. Wilson asked Mr. Myszak about the purpose of the security guard license. He asked for his opinion on voluntary certification versus state licensure, or if licensing both security guard firms and individuals would be beneficial. Mr. Myszak explained that Illinois has a similar situation to what Col. Wilson is describing. Illinois issues PERF cards to certify an individual as a security guard. An individual could use that PERF card to work for any security guard firm.

Mr. Rhoad asked about the possibility of the state continuing to mandate licensed firms but also provided voluntary certifications for individuals. Mr. Myszak explained that in his worst year of business, he saw a turnover rate of 250% for his employees with only about 20% sticking around for a few years. This trend is very common in other security guard companies as well. He suggested that the state may not be able to totally rely on an individual to voluntarily certify themselves. He added that perhaps relying on the guard companies to complete the training for individual employees would be better than relying on the state.

Mr. Rhoad wanted to know more about the apprenticeship required to become a licensed PI firm. Mr. Shelton responded that the profession doesn’t have an official apprenticeship requirement; it’s just the licensure that requires at least 4,000 hours of experience while working under another PI firm. Mr. Rhoad asked about what happens in the other five states where PI firms are not licensed. Don Johnson, Board Chairman of the Private Investigator Board, spoke up from the audience that those states where the PI firms are not licensed are very thinly populated. He explained that most often, those thinly populated cities issue PI firm license under the umbrella of a business license. Therefore, in those states, the PI firms are not completely unregulated; their licenses just aren’t regulated by a state-run program.

Mr. Johnson spoke further with the committee and explained that the industry’s primary concern in regards to licensure is the minimum, uniform standards that state-run licensure provides. He explained that most insurance brokers or private information databases require a professional license, so PI firms would not be able to run their business effectively without that access. Col. Wilson wants to know again

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about when the state should stop trying to protect the consumer from themselves. Mr. Johnson responded that he believes that the consumer sees a license as a marker that the firm has met a minimum set of standards. Otherwise, he believes that the state would be putting consumers who are vulnerable in their time of need to predatory individuals who may be unqualified and have malicious intentions.

Mr. Rhoad proposed that due to the sensitive subject matter, including minor children who are not old enough to be consumers, he isn't convinced that the IPLA is the best place to house this Board. Due to the public safety aspect and law enforcement involvement, he believes that perhaps another agency should regulate it—such as the Indiana State Police or the Dept of Homeland Security. Mr. Rhoad added that he firmly believes in industry-regulated professions. Mr. Johnson asked if the Board structure would remain intact if it did indeed move over to the oversight of IDHS or ISP. Mr. Johnson mentioned that his first PI license was regulated under the rules of ISP and that Michigan still regulates their PI licenses through their state police. He firmly believes that licenses help keep firms accountable for consumers.

Mr. Rhoad mentioned that he would really like to have a conversation with a law enforcement officer who doesn't have a direct financial vested interest in the licensure of this profession.

Ms. Lord introduced, via Skype, a six-year veteran of the Mishawaka Police Dept who works in her firm to address the committee. [This testimony was unable to be transcribed due to the poor Skype connection.]

Mr. Rhoad concluded the discussion by expressing that he really would like to hear from someone from ISP who is already a Board designee.

#### **Concluding Discussion by the Committee**

Col Wilson does not believe that the manufactured home installer license is a barrier to entry into the profession, and to him it sounds like the license ensures safety at a reasonable price. From his perspective, this license makes the most sense, as it was well presented as a cost-efficient way to ensure safety and quality for both consumers and professionals. Mr. Pope mentioned that legally speaking, if this license were not available, then technically these installers would be required to obtain a plumber's license just to connect pipes when installing a home. He elaborated that it would be very inefficient, as the installers only really need to learn basic plumbing/electricity to install a home. Mr. Pope believes that this license helps create jobs.

Mr. Rhoad asked Ms. Quandt about how many people she knows who are involved in this profession. She agrees that cost is very agreeable. Ms. Quandt says that since the feds require a license as well, she believes that the state really has no jurisdiction to eliminate the license. Mr. Reed initially said he would be interested in letting the federal government run the license, but after hearing the presentations, he can see the value and effectiveness of keeping the state-run program.

Mr. Rhoad asked again about the possibility of IMHA overseeing the licensing. He wanted to know if getting accredited by the IMHA and just pursuing a federal license take the place of a state-run program. Mr. Pope didn't have the answer to that. Mr. Rhoad asked Mr. Bowersox if his organization offers special accreditations or endorsements for members beyond state licensure. Mr. Bowersox explained that sometimes "property manager" certifications are offered, but they currently have nothing on a state-specific level.

Mr. Rhoad wanted to discuss the last committee meeting. Col. Wilson mentioned that the only concern he has about the professional surveyor license is how it relates to big contracting projects. He is concerned that if Indiana did not license professional surveyors, then Indiana workers would not be able to bid on big, federal projects that may come to the area. Mr. Rhoad asked Mr. Reed if the CPA profession also has

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an internship/apprenticeship requirement. Mr. Reed responded that yes, there is a two year internship requirement. Col Wilson is concerned in general about internship requirements being a barrier to entry and possibly arbitrary in some industries. In regards to the professional surveyor industry, Mr. Rhoad would support an appeal of the internship requirement for licensure. He believes that with new technology, internships may not be necessary. Mr. Pope asked if an examination was a requirement for licensure in this profession. Mr. Rhoad responded that there is a 16-hour examination required for licensure in addition to four years of education. He elaborated that a four-year internship in addition to all of that seems excessive; professionals should more than demonstrate their competency through their education and exam. Col. Wilson mentioned that he sees some of these internship requirements as a way for companies to get cheap labor from aspiring licensees, however, he acknowledged that he does not know the demand that is out there for this profession. Mr. Pope added that professional surveying is a very specialized area.

Mr. Rhoad made the suggestion to the committee to eliminate the apprenticeship for professional surveyors and extend the renewal period for licensure to five years. Col Wilson mentioned that the committee shouldn't be mandating continuing education, and determining the appropriate amount of continuing education should really be up to the professional organizations. As a committee, he believes that we can make recommendations for continuing education, but the professional organizations are really the experts.

Mr. Rhoad proposed a motion to remove the apprenticeship requirement altogether for professional surveyors and explore moving the continuing education requirements to a more competency-based program that mirrors what the CPA profession is currently utilizing; he also proposes to extend the renewal period for licensure to four years. Ms. Quandt made the motion, Col. Wilson seconded. The motion carries.

Mr. Rhoad also wanted to discuss the professional engineering internship requirements. Col. Wilson doesn't believe that the four-year internship requirement is excessive. He believes that engineering, like law and accounting, can be very complex with multiple specialties, and that internships may be necessary to help immerse the professional in that aspect of the field.

Ms. Quandt proposed that the committee allow a presentation from Dr. Noonan from IUPUI who has done a study on barriers to entry in regards to entrepreneurship and how it relates to reduced poverty rates and narrowing the wage gap. Mr. Rhoad agreed and suggested that Ms. Quandt reach out to Dr. Noonan to set up a presentation at the next committee meeting.

Mr. Rhoad proposed a motion for the committee to thoroughly review the fee structures for all licensed professions as well as all internship requirements. The committee should determine if the both the fees and internship requirements are appropriate to the profession. Ms. Quandt made the motion to investigate these aspects for all licenses, and Col. Wilson seconded. Motion carries.

Col. Wilson also wants to discuss the landscape architect profession again. He explained that landscape architects are almost always working under the supervision of another licensed profession such as an engineer or architect, and he believes that this profession would be a great candidate for self-certification without state involvement. Ms. Quandt thinks that the committee should hear more information about a potential self-certification program before making a decision.

An audience member spoke up and mentioned that Indiana has the fewest amount of requirements for professional surveyors. They explained that most other states require a four-year degree in addition to the examination and internship requirements, while Indiana only requires a two-year degree. The audience member is concerned that without the internship/mentorship aspect, newly graduated and licensed

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professionals might cause a world of trouble if they try to operate on their own without some kind of timeframe to ease into the profession.

**Adjournment**

Chairman Rhoad proposed a motion to adjourn the meeting at 3:18 PM, and Col. Wilson seconded the motion. The motion carried without objection, and the meeting adjourned at 3:18 PM.

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE**

March 19, 2015

Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

## **Job Creation Committee**

### **Minutes from the March 19, 2015 Meeting**

#### **Call to Order & Establishment of Quorum**

The Job Creation Committee (JCC) meeting was called to order by Chairman Nick Rhoad on Thursday, March 19, 2015 in Conference Room W064 at 9:05 AM.

- David Miller
- Dr. Matt Will
- Barbara Quandt
- Col. Richard Wilson
- Nicholas Rhoad
- Courtney Everett
- Timothy Reed

IPLA Staff Members Present

- Nick Goodwin

#### **Adoption of Agenda & Review of February Minutes**

Both adopted by the committee.

#### **Presentation on “Poverty and Entrepreneurship in Indiana: Widening the Road out of Poverty”**

Dr. Douglas Noonan, Associate Professor at the IUPUI School of Public and Environmental Affairs and Director of Research at the Indiana University Public Policy Institute, presented to the committee on the subject of “Widening Pathways out of Poverty in Indiana.”

David Miller asked if Dr. Noonan’s opinion included that each professional industry should be deregulated, or does he think that each profession should be carefully considered—especially in regards to public safety—for their specific regulation necessities. Dr. Noonan responded that he is not a fan of the “one-size-fits-all” approach and that each profession should be examined individually.

Col. Wilson asked Dr. Noonan for his opinion on the potential barriers to entry for voluntary professional certifications versus state-regulated licenses. Dr. Noonan responded that in his opinion, voluntary certifications would allow more opportunities for lower-income people to provide lower-quality services at a lower-cost to serve other members of the low-income class. Mr. Rhoad asked Dr. Noonan for his opinion regarding professions that are licensed in some states and not in other states. He elaborated that Indiana does not license prosthetics dealers, but Ohio does. In states with licensure, one needs a prescription to obtain a prosthetic, and the licensed prosthetic dealer will bill your insurance. He asked Dr. Noonan how can you determine if licensure has brought value to an industry. Dr. Noonan explained that licensing and regulation in most states are heavily influenced by lobbying, politics, and unions—not necessarily public health concerns. If a state has a greater interest in an industry, more lobbyists will fight for licensure and state regulation.

Col. Wilson asked Dr. Noonan for his opinion regarding why lower-income people trying to enter a profession can’t provide high-quality services. Dr. Noonan explained that the point of licensure is to add barriers and costs to entry into an industry. For example, in regards to food production in the food industry, the requirements to sell food products involve using large, industrial-scale kitchens that lower-

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income people may not have access to when they want to open a restaurant or food stand. Some community-based industrial-kitchens are popping up to allow these lower-income business owners to meet those food safety requirements, but that doesn't address the main problem and promote independence and stability for these business owners. Strict licensing standards like that only put lower-income business owners into the underground economy, which only makes them harder to track down and held accountable if something bad happens. Col. Wilson remarked that he is amazed at the amount of revenue that states miss out on due to the underground economy, as those business owners don't pay taxes on their earnings. He asked if there is any data on the size of the underground economy in Indiana. Dr. Noonan responded that there is a little bit of evidence on the subject, but due to the understandably discreet nature of the underground economy, there is no accurate hard data out there.

#### **Presentation from the State Board of Funeral and Cemetery Service**

Tracy Hicks, Board Director of the State Board of Funeral and Cemetery Service, presented to the committee. She explained the role of the Board, types of licenses for the industry, and those license functions. She mentioned that the Board is not issuing any new embalmer licenses, but they are renewing previously issued embalming services. The Board also offers "courtesy cards" to professionals outside of the state, which allows them to offer limited services to consumers in Indiana if they need to practice here (such as supervising a funeral in Kentucky when the burial is in cemetery in Indiana). The Board also issues facility licenses for funeral homes and funeral branches, even when the business does not conduct embalming at that specific location. Ms. Hicks also explained the presence of consumer protection funds that are dispersed if the owner of a cemetery is unable to maintain the grounds and meet certain environmental and safety standards. She also explained the Preneed Consumer Protection Fund and how it can help provide either funeral directors or consumers with restitution if they are harmed by either professional incompetence or fraud from the funeral homes.

Col. Wilson raised concerns that the Preneed Consumer Protection Fund is excessive, especially if the fund has only paid out \$429,000 since January of 2004. Mr. Miller spoke up and explained the historical precedents and necessity of the preneed reimbursement fund for Indiana. Col. Wilson explained that he is concerned about Indiana collecting large amounts of money from licensees through licensing fees to help add to this consumer protection fund, when only twelve requests or so for restitution occur every year. He proposed that the Committee might seek more data on the kind of restitution requests being made in Indiana to determine if the state is collecting too much for this fund. Ms. Hicks responded that she does not have specific data on the approved restitution requests.

Ms. Hicks explained the Board's Funeral Service Education Fund and how \$5 of every license fee is diverted into that fund. The Board determines how to use it, and they usually use it pay association fees for professional associations that only totals to \$250/year. The current balance of the fund is \$40,000, and any amount that exceeds \$40,000 is diverted to the General Fund. Col. Wilson again expressed his concerns and frustrations that the state is collecting \$5 from every license fee to go towards yet another fund that only utilizes a small percentage every year. He explained that he feels it is arbitrary.

Col. Wilson asked Ms. Hicks how Indiana's licensing fees for this industry compares to other states. Ms. Hicks responded that she does not have specific data, but she believes that Indiana's fees are slightly lower than the surrounding states. She also explained that the only fee in this profession that is not set by the board is the courtesy fee, which is set by statute. Col. Wilson asked about the providers of continuing

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education for this profession, outside of trade organizations. Ms. Hicks responded that hospitals, independently owned funeral homes, and some hospice facilities offer some of the continuing education opportunities for individuals in this profession. Mr. Rhoad elaborated that there is a statute that automatically authorizes certain institutions to provide continuing education credits to professionals, and those usually include state colleges and professional organizations in which the majority of its members are professionals licensed by the state. He explained that this statute helps keep those continuing education providers accountable without much additional involvement from the State.

#### **Presentation from the Indiana Attorney General’s Office re: Funeral Home Directors & Cemeteries**

Laura Iosue, Supervising Deputy AG, presented to the committee regarding funeral directors and cemeteries. Ms. Iosue believes that licensing for this industry is very important for public health issues, preneed restitution, and judiciary action that might be needed to protect people harmed in this industry. It is her opinion that licensing is the only way to keep this specific industry enforceable.

Col. Wilson asked Ms. Iosue if she believes that state-regulated licenses or professional licenses/voluntary certification is the only way to regulate this industry and keep the public safe. Ms. Iosue explained that she understands the committee’s desire to simplify professional licensure, but it is her opinion that this industry’s licenses are structured well. She explained that there is a license not only for the funeral facility, but for individual funeral operators. Most violations in this profession are committed by an individual and not the entire facility or business. She believes that this protects the industry and allows businesses to continue operating, even if they discover one “bad apple” amongst their employees. Col Wilson expressed his concerns that needing six licenses just to operate a funeral business seems excessive, and he would like to find a way to simplify the process. Ms. Iosue responded that different licenses are necessary to operate a funeral business, due to the many intricate working parts of providing funeral services from start to finish. Each of those aspects require specific education and licensing requirements, and it would be extremely difficult to issue one general license to cover all aspects of this industry for a business owner. Col. Wilson responded that he understands that, but he proposes the possibility of licensing just the owner of the funeral business, who can be qualified and able to lead and supervise employees. Ms. Iosue elaborated that it might be possible to simplify licenses, but a business would need a qualified, licensed funeral director at each branch, assuming that a business operates out of multiple locations. She further explained that there are certain structural regulations for each building, and separating individual funeral worker licenses and funeral building licenses helps keep the entire business in operation if one aspect has a violation. It is easier to remedy.

Ms. Iosue presented data on the complaints received in the AG’s office for this profession and how those complaints were resolved. Col. Wilson asked if the complaints are mostly consumer driven or coming from other professionals in the industry. Ms. Iosue responded that most complaints come from consumers, and it is usually people who feel like they were taken advantage of financially by unscrupulous business practices or unfair pricing. She explained that most complaints end with no violation found. Since most complaints involve money, she believes that licensing is important to protect the public by allowing the State to move in quickly to remedy bad business practices as opposed to waiting for lengthy criminal investigations to resolve the issue. Ms. Iosue explained that sometimes complaints brought into the AG’s office become both criminal actions and license violations. When

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licenses are involved, the AG's office can swiftly revoke someone's license to stop them from practicing and harming any more of the public.

Col. Wilson asked for Ms. Iosue to clarify the AG's office's definition of professional incompetence in this industry. Ms. Quandt asked about the number of businesses mentioned in the complaints to the AG's office. She would like to know if most of the complaints are about a small handful of businesses, or if many businesses occasionally have one or two violations. Ms. Iosue responded that she doesn't know the answer, but she would guess that there have been complaints about 75 different funeral businesses over the past seven years. Ms. Quandt would like to have that data, if possible, because she believes it would help the committee better understand what kind of specific violations are occurring and where.

Dr. Will asked if state licensing is meant to prevent violations or prosecute after the fact. Ms. Iosue responded that it's neither of those, but she believes that licensing does protect the public from bad practitioners. She explained that from her experience, violators usually end up in front of the board for three reasons, anecdotally: they are sick (They are not able to perform their duties well due to old age or otherwise regression of skill.); they are evil (They have malicious intentions to cause harm.); or they are dumb (They are generally incompetent.). In her experience, state-regulated licensing also helps protect licensees from false, ill-intentioned complaints against them. She explained that she wants to avoid pursuing litigation against a practitioner and threaten their livelihood unless the AG's office has a great deal of evidence that they present harm to the public. She further explained that the AG's office only deals with "after the fact" prosecution, so she cannot speak directly to the preventative effectiveness of licensing.

Dr. Will asked for her opinion about licensing being a convenient prosecuting tool when necessary. Ms. Iosue responded that state-regulated licensing makes it easier for her office to take swift action to revoke a license and protect the public from harmful practitioners as the disciplinary process moves relatively quickly. Dr. Will asked if the AG's power to quickly suspend licenses, does that power impede on an individual's right to due process. Ms. Iosue believes very strongly in protecting due process, so she takes extra care to pursue possible violators in a very transparent manner so that the practitioners know exactly what they are being accused of.

Dr. Will asked the AG's office if they could protect the public effectively if the licenses for this industry were condensed into one business license. Ms. Iosue responded that a business license would not be handled by the AG's office; it would be handled by the Secretary of State's office.

Mr. Rhoad asked Ms. Iosue if the violating practitioners are responsive to inquiries from the AG's office. Ms. Iosue responded that yes, usually these licensees are eager to correct any violations. Mr. Miller elaborated on behalf of the AG's office that his office enforces the statutes/rules set by the General Assembly. In his experience, having license roles and functions distinctly defined by the state helps the state protect the public by proving harmful behavior and keeping practitioners accountable. He believes the individual licenses in this industry helps prevent people from claiming ignorance and trying to absolve themselves of blame.

### **Report from Indiana Funeral Directors Association**

Andy Clayton, Acting President of the IFDA, Dr. Michael St. Pierre from the American Board of Funeral Association, and Robert Hagenmeier all presented to the committee. It is noted that Mr. Clayton and Dr.

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St. Pierre are both currently acting practitioners in the industry. Mr. Clayton explained that the IFDA represents 470 family-owned funeral homes and around 1100 individual funeral director licenses in Indiana.

Mr. Clayton explained that from his perspective, state-regulated licensure is not expensive or overbearing in any way for the industry. He believes that the preneed legislation in Indiana is fairly simple compared to other states. He believes that less regulation would put consumers at risk for preneed fraud and other harmful practices. In his opinion, the preneed consumer protection fund is important, although it may seem arbitrary, because it could easily be depleted if multiple funeral businesses go out of business or commit fraud at the same time.

Mr. Clayton said that IFDA does handle some marketplace/consumer complaints on an organizational level, but they forward anything criminal to the AG's office. Mr. Clayton does not believe that licensing of this industry is a barrier to entry, mostly because in his opinion people are not lining up to open a funeral home.

Col. Wilson wants to discuss again the state's preneed fund. Mr. Hagenmeier explained that a private funeral business's preneed funds are placed in trusts that are monitored by banks. Col. Wilson asked why the state would need such a large preneed fund, if those trusts from private businesses are protected even if the funeral home goes out of business. He asked for clarification if the state's preneed fund is only meant for consumer recuperation from fraudulent activity. There was no concrete response from IFDA.

Col. Wilson also wanted to discuss further the continuing education requirements for this profession. He wanted to know if the IFDA is the bulk provider of continuing education for professionals of this industry in Indiana. Mr. Clayton responded that well over 50% of their members elect to complete their continuing education requirements through the IFDA. Col. Wilson asked if the IFDA believes that the current amount of continuing education credits for license renewal is enough. Mr. Clayton answered that the IFDA believes that Indiana does not require enough continuing education requirements.

Col Wilson asked Mr. Clayton if he believed that the state is the best agency to regulate the industry, or if their organization, with the right authority and resources, be able to regulate it themselves. Mr. Hagenmeier stated that he believes it would make IFDA hated among the profession. Mr. Clayton elaborated that he believes that, as it is now, the state doesn't conduct enough inspections of funeral homes. For his own business, he has only experienced one surprise inspection in 19 years of business. Mr. Hagenmeier agreed and suggested that higher licensing fees for this profession might help regulate the industry more thoroughly.

Dr. Will asked about who is responsible for overseeing funds gathered from preneed packages purchased by consumers. Mr. Hagenmeier responded that the IPLA requires that a funeral home obtain a certificate of authority to sell preneed packages and register with the board. Funeral homes must also submit an annual report of all preneed funds received and where exactly those funds are being held, so the IPLA oversees that. Dr. Will asked that if the adjudicating body for the industry is the board, are there any consumer members and how are they selected? Mr. Clayton responded that they are selected by the governor.

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Mr. Rhoad asked the IFDA members about their biggest challenges in the profession. Mr. Clayton responded that the changing attitudes of consumers and how they are making different choices that break with tradition have been difficult to adapt to.

#### **Break for Lunch**

The committee took a break for lunch at 12:27 PM and reconvened at 1:30 PM.

#### **Presentation from the Committee on Hearing Aid Dealer Examiners**

Leo Korolev, staff attorney for PLA, presented board information regarding hearing aid dealer examiners. He briefly covered the different license types/definitions, establishment of the board, role of the board, staffing specifics of PLA as concerns the board and licensing costs. Members of the committee read the board report given to them outlining these specific points and had no questions for Mr. Korolev.

#### **Presentation from the Indiana Attorney General's Office, re: Hearing Aid Dealers**

Terry Tolliver, Deputy AG, presented to the committee regarding complaints and investigative/litigation results for the profession of hearing aid dealers. Mr. Rhoad asked for Mr. Tolliver to clarify the definition of professional incompetence versus unprofessional conduct in this profession. Col. Wilson also asked about the complaints that were labeled as “no violation” or “referred to another agency”. Mr. Tolliver explained that a “non-sanctionable action” could be a complaint that a hearing aid dealer was very rude to a customer, which is still a concern, but it’s not illegal.

Dr. Will asked if the AG’s office has data about the number of transactions conducted in the industry overall. He believes it would be interesting to compare the amount of transactions in the industry to the amount of complaints received. Mr. Tolliver responded that he does not have that data. Dr. Will asked about the specific nature of the 16 complaints that the AG’s office has received for this profession over the years. Mr. Tolliver responded that he doesn’t have specific data, but he explained a current complaint they are investigation that involves a “failure to supervise” a hearing aid dealer’s student in an area when the dealer is out of state. Mr. Tolliver is also aware of a complaint where people are taking advantage of immigrants where they bring them in for “tests” and then try to sell them very high-priced goods. Dr. Will asked if licensing didn’t exist, would consumers still have recourse for harm caused by this profession. Mr. Tolliver explained that there is always an avenue to complain about a transaction or profession, whether through civil or criminal courts. Mr. Miller explained that some non-medical boards can issue restitution when necessary.

#### **Report from the Indiana Hearing Aid Alliance**

Allen Reese, Chairman of Hearing Aid Dealer Examiners, presented to the committee. He was joined by Dr. Richard Miyamoto, Professor at IU School of Med in Indianapolis, Vicki Fisher, Hearing Aid Dealer/President of Hearing Aid Alliance, and Bruce Campagna, Director of the Indiana Hearing Aid Alliance. Mr. Reese first clarified that the licenses for this profession are issued to individual practitioners and not businesses.

Mr. Campagna addressed the committee and explained that the IHAA focuses on promoting ethical practices for hearing aid dealers. He believes that the industrial is regulated fairly and adequately by the state. He also explained that the IHAA believes that the 10 hours per year of continuing education required for licensure renewal is adequate. Mr. Campagna further stated that the IHAA believes that the

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licensing fees are almost too low for this profession. Currently, the fees are \$40 every two years, and continuing education credits are \$100/year from their professional organization. Dr. Will asked if an individual can obtain their continuing education credits without going through the IHAA. Mr. Campagna responded that yes, they can get them from many other places.

Col. Wilson asked if an audiologist is a separate profession that is separately licensed. Mr. Campagna affirmed. Col. Wilson asked if there is a clear and present health and safety danger to the public from the work of hearing aid dealers. Mr. Campagna responded that online/TV ads cause the biggest safety issue, since the consumers often don't receive an examination to ensure that the hearing aids fit properly. He stated that the IHAA is pleased with how the state currently regulates the profession.

Col. Wilson asked Mr. Campagna if the IHAA, given the resources and the authority to act as an agent of the state, would be able to regulate the licenses independently. Mr. Campagna responded that IHAA feels that the state issuing the licenses is in the best interest of the profession. He explained that eliminating the license happened in Colorado back in the 1980s, and it had negative affects for consumers. Mr. Campagna elaborated that since the system is currently working well with minimal complaints, he and the IHAA see no need for change.

Dr. Will proposed a question of why should the government be telling people where they can and can't buy their products. Mr. Campagna responded that the government is not stopping people from buying things from wherever they want, it's just that licensure and FDA approvals show consumers where they can buy from vendors who can be trusted. Dr. Will asked that if there are so few complaints about this profession, why licensing/state oversight is even necessary. Mr. Campagna responded that he believes that the low number of complaints show that the current state-run licensure is working well to protect consumers who need to utilize the industry. Usually people only come in for hearing testing when their hearing very poor, and that can be somewhat of a vulnerable time due to strained communication with their friends and family.

Mr. Rhoad asked if consumers need a prescription for hearing aids to be covered by insurance. Ms. Fisher spoke up to explain that the insurance that she provides for her employees will cover hearing aid services if they are administered by a licensed professional. Mr. Reed asked if it is typical for an insurance company to require for an individual to utilize a licensed hearing aid dealer. Ms. Fisher responded that only licensed individuals can register as an in-network provider, which makes it much easier for insurance to cover the costs for the consumer. Dr. Miyamoto explained that in his opinion, the low number of complaints is a positive, and he believes it shows that the Board and examining committee is doing their job well.

### **Report from the Indiana-Speech-Language Hearing Association**

The Indiana-Speech-Language Hearing Association presented explaining that ISLHA's goals are to ensure the professionalism and continuing education of hearing aid dealers. ISLHA is concerned with properly administrated hearing tests, as improperly done ones can lead to missed medical issues and harm to consumers.

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Col. Wilson asked about the difference between speech pathologists, audiologists, and how they are licensed differently. Col. Wilson asked if it would better serve the industry if it was required that a patient needed a prescription from an audiologist to visit a hearing aid dealer to purchase hearing aids. ISLHA stated that not everyone needs to see an audiologist. Especially if the hearing loss isn't related to anything else, then seeing an MD about it would be arbitrary and expensive for consumers. Col. Wilson explained that he thought it was said earlier that hearing loss is usually a symptom of something else and not usually just a single diagnosis, so examination from a doctor is warranted to rule out more severe health issues. Dr. Miyamoto explained that most hearing loss cases are pretty straight forward, so audiologists don't need to see every routine hearing loss patients—especially from the elderly who can naturally experience diminished hearing abilities. He explained that the point of licensing certified hearing aid dealers is that these professionals can handle routine hearing loss issues, but they are also trained to recognize when the consumer needs to see a doctor to follow up on something that could be serious. He said that is where a close relationship with audiologists and ENTs come in handy, and most of the professionals in these industries work very well together.

Mr. Rhoad asked if 3D printing is affecting the industry, and Ms. Fisher responded that it has not yet.

#### **Concluding Discussion by the Committee**

There was no concluding discussion by the committee.

#### **Adjournment**

Seeing no further discussion, Mr. Rhoad asked the committee for a motion to adjourn. Col. Wilson motioned to adjourn, and Mr. Reed seconded. With no objections, the committee adjourned at 3:00 PM.

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE MEETING  
Thursday, April 16, 2015, 9:00 AM  
Indiana Government Center – South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204**

## **Job Creation Committee**

### **Minutes from the April 16, 2015 Meeting**

#### **Call to Order & Establishment of Quorum**

The Job Creation Committee (JCC) meeting was called to order by Chairman Nick Rhoad on Thursday, April 16, 2015 in Conference Room W064 at 9:12 AM.

- David Miller (arrived at 10:50 AM )
- Allen Pope (left at 10:50 AM)
- Ryan Miller – SBA/OMB representative
- Barbara Quandt
- Richard Wilson
- Nicholas Rhoad
- Timothy Reed

IPLA Staff Members Present

- Nick Goodwin

#### **Adoption of Agenda & Review of March Minutes**

Col Wilson proposed a motion to adopt the current agenda and the minutes from the March meeting. Mr. Reed seconded. With no opposition, the motion to adopt the agenda and March minutes was passed by the committee.

#### **Presentation from the Private Investigator & Security Guard Licensing Board**

Randy Sidwell, Captain of Pendleton Police Department & Board Member of the Private Investigator & Security Guard Licensing Board, presented to the committee. He explained that he has nineteen years of experience and has served as a PI at one point in his career. He believes that as a member of the police force, he has only encountered PIs or security guards maybe less than ten times, and usually on suspicious behavior (if the PIs/security guards are monitoring a private residence or something of that nature). He explained that for a time, the Pendleton PD asked that PIs or security guards alert law enforcement of their intentions in an area before proceeding, but that was hard to enforce. He explained that while the police take care of the criminal side of things, there are bad apples in every profession. He thinks that it's important for the average person to be able to hire a PI, since the police wouldn't handle the kind of private matters that a PI can investigate. He recalls one time when he was called to a scene where a security guard was able to gather information that allowed the police to make an arrest based on that information. Overall, he has had positive experiences with PIs and private security guards. He also explained that reserve police officers for the Pendleton PD have to complete a 40 hour intensive course that is mandated by the state. In his opinion, he believes that every person conducting PI or security guard work complete a similar mandated training that is required of these reserve police officers.

Col. Wilson asked about the different “levels” of security guards in Indiana. For example, there are watchmen who are uniformed but don't carry lethal weapons such as in shopping malls, other security professionals who carry body armor and lethal weapons, and mall security guards who patrol malls or businesses during business hours. Col. Wilson asked that since the state only licenses the firm owner and not all individual employees in the firm, which levels of security guards does Mr. Sidwell think need that mandated training? Should the committee consider some kind of special certification for these individual employees who aren't licensed by the state?

Mr. Sidwell responded that again, he believes that the kind of mandated 40-hour course required for reserve police officers would be extremely beneficial for security guards not licensed by the state in an

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effort to protect public safety. He believes that the mandated training could be more or less intense depending on the level of the security guard.

Col. Wilson raised concerns about the security guards who carry firearms. He asked if it would be wise to require some kind of certification for individual employees of a security firm who will carry firearms that will allow them to use/carry those firearms in a security capacity.

Mr. Sidwell agreed that it would be beneficial in his opinion. He's not sure what would be the best organization to handle that certification, whether ISP or NRA, professional organizations, etc.

Mr. Rhoad is concerned about the public being able to distinguish between state police, local police, and security guards. He expressed concern that sometimes it is hard to tell the difference.

Mr. Sidwell responded that he has seen two types of security guards in his experience. Either people who failed to enter into law enforcement due to their background or other qualifications, or people who understand their career and responsibilities as a security guard officer and don't overstep their boundaries. He explained that in his experience, most law enforcement uniforms do not include anything on the collars but brass pins. He has seen a lot of security guard uniforms with stripes or other colors on the collar. Mr. Sidwell believes that further regulation on uniform requirements for security guards or PIs might be excessive, since he has not encountered any problems with it.

#### **Presentation from the Indiana Cemetery Association**

Casey Miller, Executive Director of the Indiana Cemetery Association, presented to the committee. His organization represents 125 members whose businesses cover 67% of burials in Indiana. The organization's members mostly manage Catholic cemeteries. He explained that cemetery owners weren't represented on the committee until 1990 or so. He believes that cemetery owners are the "teeth" behind the preneed/financial aspect of the funeral business and that both the board and the Attorney General's office work hard to protect the industry and weed out any unscrupulous practitioners. He explained a situation in 2008 where someone purchased a widespread family funeral business with a loan, and once this person owned the business, they raided the trust funds to pay back that loan. This person's criminal activity was swiftly discovered by the AG's office and prosecuted appropriately in his opinion. The funerals/cemeteries belonging to the business were placed by an attorney into the hands of other responsible owners until the original owner was in jail. He explained that the citizens who placed their money in those trust/preneed funds were in jeopardy during that time, and that is why he believes that the board plays a very important role in protecting citizens in Indiana. There is also a cemetery association liaison on the board who can handle minor complaints before they reach the AG's office.

Mr. Reed asked if Mr. Miller was familiar with another incident that occurred in Hobart, IN where another business was raiding preneed funds. Mr. Pope confirmed that the investigation is ongoing in that case. Mr. Miller responded that he was not aware of it. He further explained the importance of the consumer protection preneed fund that protects consumers from funeral business/cemetery fraud.

Mr. Rhoad asked Mr. Miller if all 50 states regulate and license cemeteries and funeral businesses. Mr. Miller is not sure, but as far as he knows, all neighboring states regulate the industry. Mr. Rhoad asked about the alternatives offered in states without regulations. Mr. Miller explained that in those states, the industry relies strictly on the respectability/responsibility of the funeral/cemetery business owners. He believes that the current system in Indiana is working very well and doesn't recommend any changes.

Mr. Pope asked Mr. Miller about the cost of a certificate of authority for cemetery owners. Mr. Miller explained that it is approximately \$30. Mr. Pope asked why the state doesn't just handle all initial preneed

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funds, instead of trusting funeral business owners to do it themselves and then having to prosecute them when they don't. Mr. Miller believes that initially it was done to avoid burdening the state.

#### **Presentation from the Indiana Auctioneer Commission**

Jeanette Langford, Board Director for the Indiana Auctioneer Commission, presented to the committee. She explained that the Indiana Auctioneer Commission currently handles 2,932 active licenses. She explained the license types of an auctioneer and auction company (395 active licenses for companies). There are 17 active pre-licensing course providers for this license, which seems a bit excessive to her, but she hasn't heard any complaints about any of them. She further explained board functions and how it consists of six members appointed by the Governor with no more than four members from the same political party and five members must be auctioneers with no less than 5 years of experience in the industry. She added that one member of the board is a consumer member. She also explained the role of the Commission. She believes that the fees for these licenses are very reasonable, and her staff have not heard many complaints. This Commission provides the examination for this license, and she would like to get that changed to an independent provider if possible.

Col. Wilson asked Ms. Langford how the Commission can really determine the costs to the State in administering each license overseen by the IPLA and the appropriate boards/commissions when each group (within IPLA) can cover five or six different professions at the same time.

Mr. Rhoad explained that since IPLA is an umbrella agency, their appropriations from the General Fund doesn't differentiate funding between the Indiana Auctioneer Commission and the Indiana Real Estate Commission.

Col. Wilson expressed his desire to find out the costs to the State for each of these licenses. Specifically, he would like to determine the effects if the Job Creation Committee combined salaries for staff to find out what percentage of time is spent by the boards/commissions on each of their professions.

#### **Presentation from the Indiana Attorney General's Office re: Auctioneers**

Terry Tolliver, Deputy Attorney General, presented to the Job Creation Committee. He explained that most complaints about this industry are from consumers and are typically financial or billing disputes. The AG's office can investigate if the auctioneers are following industry code standards such as dispersing payments within 30 days. Mr. Tolliver further explained that the difference between unprofessional conduct and professional incompetence in this profession are usually determined by who is making the complaint. Most professional incompetence complaints are made by other industry professionals. Unprofessional conduct complaints are mostly from consumers. Mr. Tolliver added that 135 litigation files were opened and closed over the past seven years. Most cases related to things like failure to set up trust funds, failure to make payments within 30 days, etc.

Mr. Rhoad asked Mr. Tolliver if all states license auctioneers. Mr. Tolliver responded that 27 states license this industry. Mr. Rhoad asked Mr. Tolliver about the most severe violations he experiences for this industry. Mr. Tolliver responded that the biggest violation is usually theft.

#### **Report from the Indiana Auctioneers Association**

Seth Seaton, IAA Treasurer, and Kathy Baber, IAA Executive Director, presented to the committee. Mr. Seaton explained how the auction industry has rapidly changed over the years. He defined how the state defines an auction. He explained that auctions are used to liquidate a variety of assets in a fair and commercially reasonable manner. The association's role is to provide members with resources, tools, and education to conduct business in an ethical and professional manner. The IAA also stands as the legislative voice for auction professionals in Indiana. Mr. Seaton explained that the association believes that auctioneers are the most efficient way to sell distressed or highly desirable assets. Auctioneers are the

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recyclers of business/real estate/personal assets in the economy. Auctioneers are also the most efficient asset converters in the economy. The association supports a more responsible education system for the industry. Mr. Seaton wants to urge state government to get opinions from professionals from the auction industry when formulating government regulatory policies for the industry.

He also explained the economic impact and average wage in this profession. As there are many facets to this industry, it is hard for the association to pin down an average wage. Mr. Seaton further discussed the benefits of licensure and how the association believes that it protects consumers from the potential harm of mishandling funds or fraud. State licensing has also been helpful with reciprocity for licensure in other states. Mr. Seaton explained that licensees are required to use contracts to protect the consumer, and they are required to have a trust/escrow account to ensure all monies involved are accounted for. Licensees have to meet minimum continuing education requirements and provide consumers with clearly defined courses of action for filing complaints and proper recourse.

In regards to any changes to the license regulations, the association believes that auction companies should have the same continuing education requirements as the auctioneer licenses. The IAA wants to see the state regulating online auctions as there is currently none. The IAA believes that online auctions are no different than in-person auctions; the Internet just provides a different medium. The association also supports IPLA and the Indiana Auctioneer Commission. They do not want to see the Commission be combined with any other regulated profession due to complexity of the industry. The association would be willing to assist IPLA in administrative duties like administering the state exam and reviewing CE and education auditing. They believe that Indiana has the lowest auctioneer license fee in any other state that requires licensure.

Ms. Quandt asked about how many businesses and individuals are members of the IAA. Mr. Seaton answered that the IAA has the biggest membership of any other licensed state with 20% of licensed members in the State as members.

Col. Wilson asked for Mr. Seaton to explain the difference between a consignment company and auction company. Mr. Seaton answered that licensing-wise, there is no difference—the only difference is the format of how the goods are sold.

Mr. Pope asked for Mr. Seaton to clarify his status as a dual agent and why he would allow clients to purchase something at double or triple retail cost. Mr. Seaton explained that it's just the economic market of auctions. He elaborated that some sales are much lower than retail cost and some are much more; it's just the nature of the business. He explained that buyer's remorse does occur, but most people pay on time and follow through with the deal regardless.

Ms. Quandt asked how much it costs to be a member of the association. Mr. Seaton explained that it is \$125 annually. They don't have a membership for businesses—just individuals. He explained an affiliate membership is a little bit cheaper, but affiliates are nonvoting members.

Col. Wilson asked that if the association was given the resources and the authority to act as an agency of the state to regulate these licenses, would they be willing to cooperate. Ms. Kathy Baber explained that she would like to see their association provide pre-licensing exams and continuing education for licensure.

Mr. Rhoad asked about the handful of states who don't offer licenses for this profession and how those professionals in those states obtain reciprocity if they aren't licensed by their home state. Mr. Seaton explained that in some of the states without state licensure, individual counties offer licensure. Ms. Baber

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explained that most states without licensure have different demographics with lower populations. The west coast states also don't offer licenses, but they don't have a large auction industry.

Col. Wilson asked if there is a way to offer self-certification for this profession instead of state licensure so that consumers could choose between using certified professionals and uncertified. Ms. Baber explained that Michigan did that and now they have no way to know the size of the auction industry since there is no mandatory registry system. Col. Wilson asked if the state would be the best handler of self-certification. Ms. Baber responded that yes, but the association would need more resources to help with the certification. Mr. Miller added that state-regulated licensure offers much more consumer protection than voluntary self-certification through professional associations. The state can take much swifter action to protect consumers, rather than wait around for personal law suits to take effect. Col. Wilson asked if there is a compelling public interest in the state licensing this profession.

[Nothing to add beyond what had already been said supporting the reasons for licensure.]

Mr. Rhoad asked about adding some professional members to the commissions for real estate or appraising. Ms. Baber mentioned that some real estate professionals see auctioneers as competition. She explained further that since her association hasn't discussed it, she doesn't have an answer about that yet. The IAA is not necessarily opposed to it, but they would want to have a conversation within the association before publically stating one way or the other.

#### **Committee Discussion**

Nick Goodwin explained that board recommendations are due by July 1<sup>st</sup>. The Indiana Board of Accountancy recommendation has already submitted. He is proposing that the committee takes a break in May and meets again in June to discuss and finalize recommendations to be submitted to the Legislature.

Col. Wilson asked if the committee could have a study day where the committee could meet to discuss this before formulating recommendations. Mr. Miller explained what a serial meeting would be, as opposed to a public meeting, and it is a meeting in which there is a number less than quorum. The purpose of the meeting would need to be just to gather information and not make decisions. Col. Wilson asked if the committee could meet in May or have two meetings in June. Ms. Quandt stressed that she believes all meetings should be public. Mr. Goodwin will send some potential dates for June meetings to the committee. Members of the committee agreed that they would like to meet on June 2<sup>nd</sup> & 17<sup>th</sup>. Mr. Rhoad mentioned that he would like some kind of cost analysis from OMB, and he should be able to get it once session is over.

Col. Wilson really wants to know if anyone has ever looked comprehensively over the decades to see how big the footprint of public benefit and economic impact of licensing all of these professions. Mr. Goodwin responded that PLA generates a net positive for the State in terms of the revenue brought in from licensing fees in comparison to the General Fund appropriation given to the agency for operating costs (salaries, equipment, technology fees, etc.). The net gain to the state in terms of revenue is about \$10M per year.

Mr. Goodwin also offered a legislative update to the committee. House Bill 1303 passed the Senate. This bill creates a self-certification registry allowing certain industries to voluntarily apply to IPLA/the Job Creation Committee for inclusion. This committee would receive applications and chose up to five different, non-healthcare industries for this new pilot program. These industries could only be professions that are currently not regulated (through state licensure) but want to be included on the registry. The reasoning for inclusion on the voluntary registry is for the state to have an information tool for the industry showing practitioners that have more education and comprehension in the industry, which in term is a consumer protection tool as consumers would be less likely to hire someone without

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credentialing, and for practitioners to have greater marketplace distinction from their counterparts who haven't taken additional courses or received degrees in their given field.

The pilot program will be two years long after rules are promulgated, and the job Creation Committee has to provide a status update to the legislature after that time. At the conclusion of the pilot program, the Legislature can determine whether to make any changes to the registry including, but not limited to, expansion or elimination of the registry.

#### **Break for Lunch**

The committee took a break for lunch at 11:30 PM and reconvened at 12:30 PM.

#### **Presentation from the Indiana Plumbing Commission**

Rae Harman, Assistant Director for the Indiana Plumbing Commission, presented to the Committee. She explained the types of licenses, including Plumbing Apprentices, Journeyman Plumber, Plumbing Contractor, Temporary Contractor, and Corporate Plumbing Contractor.

Col. Wilson asked for clarification of the definition of an approved apprentice program. Ms. Harman responded that most approved programs are plumbing schools or businesses. She also explained board establishment, member composition, and the role of the commission in the licensure of the profession.

Ms. Harman explained the Plumbers Recovery Fund, administered by Indiana Plumbing Commission, has a current balance of \$504,885.84. The last payment out of fund was made in August 2012.

#### **Presentation from the Indiana Attorney General's Office, re: Plumbers**

Derek Peterson, Deputy AG, presented to the Committee. He presented a report which shows the number of complaints, investigations completed, and litigation completed in this industry since 2008. There are roughly 66 consumer complaints filed per year. Most investigations conducted have been against unlicensed practices and unprofessional conduct. Most prevalent litigation completed was cease & desist, no violations, and warning letters. Mr. Rhoad asked for him to clarify what he meant by "unlicensed practice" in this industry. Mr. Peterson explained that it's any practice that does not meet the requirements for the licensing of the work that they are conducting.

Col. Wilson mentioned that the number of consumer complaints are consistent except for 2008, why? Mr. Tolliver mentioned that there was a large-sized firm (Mr. Plumber) that was discovered to be practicing without a license and generated more complaints than usual.

#### **Report from the Indiana Plumbing Heating Cooling Contractors Association**

Brenda Dant, Executive Director, presented to the Committee. Additionally, State Representative Steve Stemler (D-Jeffersonville), State Representative Dave Niezgodski (D-South Bend) and State Senator Mark Messmer (R-Jasper) were all present as they have a background/work in this industry and wanted to offer their support for continued licensure of this industry as a public health & safety issue, and they are very pleased with IPLA's currently handling of the profession.

Ms. Dant explained that the IPHCC is the oldest trade organization in the nation. Indiana currently has 250 company members and 1,109 individual licensees as members. IPHCC represents both union and non-union workers. IPHCC supports state licensure because an untrained plumber can cause havoc. Licensing is not a barrier for entry into this field, and the IPHCC believes it is positive for the industry. The IPHCC is losing the number of workers entering into the trade, mostly because it is not a popular field right now with young people. She explained that their apprenticeship is a really great "earn while you learn" program, so it's not cheap/unfair labor, plus it is a federally-approved program. The committee asked for Ms. Dant to explain the difference between a journeyman and a plumbing contractor. Ms. Dant

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explained that a journeyman is usually a worker in a plumbing company, whereas a plumbing contractor position is more in depth and includes more business aspects on the licensing exam.

Ms. Dant explained why the IPHCC believes that state-regulated licensure is important to protect the public. The IPHCC would also like to see swifter action from the state in suspending licenses due to unlicensed or incompetent practitioners. They believe that the current Commission is efficient, adequate, and represents the industry well. IPHCC also believes that the fees are fair.

Mr. Rhoad wants to know more about the vocational education components and the education costs for the students in these apprenticeship programs. Ms. Dant explained that most of the time when a contracting company employs a student; they will pay for their schooling. Otherwise, it's only \$750 per semester to go to school. Most students work for a contractor first, and once they prove themselves, their boss sends them to school. Contractors see it as an investment for their company. Ms. Dant explained that some plumbing schools have collaboration with universities where if the apprentice goes to school for an extra year, you can exit the program as a licensed plumber and with an associate's degree. Mr. Rhoad asked about the reciprocity of the license in other states. Ms. Dant explained that there is no reciprocity with other states since Indiana's codes are very different than other states. However, if someone is already licensed in another state, they can sit for the other state's licensing exam without going through additional schooling.

Ms. Quandt asked if all states license plumbers in the industry. Ms. Dant explained that 19 states have programs identical to Indiana's regulatory standards. The other states have various certification programs with strict regulation. Ms. Quandt asked how many licensed businesses or individuals in Indiana are members of IPHCC. Ms. Dant responded 250 companies and around 1100 individuals are members. She elaborated that the average annual dues are \$500-\$550, because you become members of the state organization, federal organization, and local chapters which all have individual dues.

Col. Wilson asked about the cost of the programs where an apprenticeship plumber can earn an associate's degree and if that places additional costs onto the apprentices. Ms. Dant responded that she does not have that data, since those programs are not managed through IPHCC.

Col. Wilson asked if her agency could, if given the resources & authority, regulate this profession on behalf of the state. Ms. Dant responded that she still thinks that the state is still the best entity, but IPHCC would be willing to help with certain aspects. She believes that the apprentice license could change, since an apprentice license is tied to an employer. So whenever an apprentice changes jobs or schools, a new license required. She proposed that the plumbing schools might be able to regulate apprentice certifications on the school-level to avoid this problem. Col. Wilson asked that while these apprentices are in these programs, could the schools just certify the apprentices themselves. Ms. Dant explained that, in some cases, apprentices don't want to go the extra year in the program to get their associate's degree. She mentioned that there is a lot of pride during the graduation ceremonies for these apprentices.

Ms. Quandt asked about how the IPHCC is reaching out to young people to promote this profession. Ms. Dant responded that IPHCC is currently working on a workforce development program at the moment to attract young people to the profession. Ms. Quandt posed a question to the audience and those in the industry if they are having difficulty finding new apprentices. An audience member who is a plumber explained that his company is starting to see more retirees than new apprentices. Mr. Miller remarked that it sounds like there is a low number of plumbers in relation to the population of Indiana. He asked if anything could be done on an economic side or workforce development level that the State could handle.

Col. Wilson asked about the necessity of an apprenticeship license, especially if the apprentice is already being monitored or supervised by both the school and the contracting business that is training them.

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IPHCC thinks that the apprentice license is more of a pride thing that gives the student “proof” of their status. Ms. Dant remarked that she has not heard any complaints about the cost of the apprentice license.

Mr. Rhoad mentioned that with these industries needing help recruiting new students, should there be any tax breaks for companies to recruit? Col. Wilson remarked that from an economic aspect, it seems to him that anytime the state can encourage young people entering into the building trade as a way to boost employment and encourage solid career paths, it is a good thing. Ms. Dant responded that the industry is having trouble recruiting some demographics of young people due to the industry-required drug tests, and the IPHCC is not sure how to remedy that.

Mr. Miller asked if the state currently has a system set up that has low barriers to entry. Is it easy for potential plumbing apprentices to find schools, get set up with an employer to sponsor them, etc.? Ms. Dant responded that it is usually the mothers of young people calling the school or association asking for information. Since these trades aren’t taught in public schools anymore, some young people have no idea what a plumber actually does. Schools and contractors need to assess if the potential student has mechanical skills and the potential for hard work. Ms. Dant will sometimes find a willing member of IPHCC who will talk to a potential student first to give them more details about the industry. She also explained that most people get into the trade because either of family ties or they have close friends in the industry.

Col. Wilson asked if there are currently any specific outreach efforts for low-income or minority populations. Ms. Dant said that some contractors are reaching out into those communities. An Indiana Pipe Trade spokesperson in the audience spoke up and remarked that they are required to reach out to minority populations, so they advertise in areas where those target demographics work.

Col. Wilson asked Ms. Dant to clarify the association’s recommendation for an enforcer/inspector position or to give more authority to the board to enforce violations faster. Ms. Dant explained that some towns only have one building inspector who only conducts inspections after a license has been revoked. Inspectors aren’t as willing to work with IPHCC because they operate on a different level that doesn’t regulate state/individual licenses. However, IPHCC is becoming more receptive to checking individual licenses if a violation is found or suspect on a job site.

#### **Concluding Discussion by the Committee**

Col. Wilson wanted clarification that Mr. Goodwin will provide a written draft of a compilation of information provided to the committee in order for the Committee to make recommendations regarding the reviewed professions. Mr. Goodwin agreed, saying that the compilation will be ready for the June 2 meeting. There was no further discussion requested from any other committee members.

#### **Adjournment**

Seeing no further discussion, Mr. Rhoad asked the committee for a motion to adjourn. Col. Wilson motioned to adjourn, and Mr. Reed seconded. With no objections, the committee adjourned at 2:21 PM.

**NEXT SCHEDULED MEETING  
FOR THE JOB CREATION COMMITTEE MEETING**  
Thursday, June 2, 2015, 9:00 AM  
Indiana Government Center – South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

**Job Creation Committee**  
**Minutes from the June 2, 2015 Meeting**

**Call to Order & Establishment of Quorum**

The Job Creation Committee (JCC) meeting was called to order by Chairman Nick Rhoad on Tuesday, June 2, 2015 in Conference Room W064 at 9:06 AM.

Committee Members Present:

Allen Pope  
Barbara Quandt  
Richard Wilson  
Nicholas Rhoad  
Timothy Reed  
John Wright  
Joe Habig – SBA

IPLA Staff Members Present:

Nick Goodwin

**Review & Adoption of Agenda & April Minutes**

Tim reed moved to adopt agenda, Col. Wilson seconded. All in support, none opposed. Motion carries.

**Old/New Business**

**Discussion & Resolution of JCC requirements pursuant to IC 25-1-16-8:**

Mr. Rhoad explained that he wants the committee to understand what is expected of them by July 1<sup>st</sup> and what that recommendation report should entail. He believes that the committee is well ahead of schedule. Mr. Goodwin explained that the committee has 38 professions to review in over 5 years. Mr. Rhoad would like for the committee to review all of their work, spanning the past year, that will be in the report to the Legislature. At the next meeting on June 17<sup>th</sup>, the committee will finalize recommendations to submit the report due on July 1<sup>st</sup>. Mr. Rhoad explained that there are six factors that he believes will be helpful for the committee to consider while reviewing these professions. The factors include risk analysis, informed consumer choice/trial & error, self-regulation by the profession, legal alternatives to regulation, cost-benefit determination, and the case for the professional license.

Is the committee comfortable with these categories of analysis? Motion so moved by Col. Wilson, seconded by Tim Reed. Motion carried by consent.

**Accountants**

Mr. Rhoad explained that the committee's review has already been turned in for this profession. He recognizes that this profession already has very thorough national licensure requirements, so there is a smaller need for state regulation. Mr. Reed explained that appraisers only have a state licensing board because federal regulations required it. Mr. Wright mentioned that the accountant profession is similar, and the way his firm does accounting business is very similar to how it is done in other states. He elaborated that most states have adopted umbrella standards from federal accounting organizations. Col.

### **APPENDIX III – JCC Meeting Minutes**

Wilson asked if removing the Board would remove the state's ability to quickly cease the actions of bad actors in the profession. Mr. Wright responded that he still believes that a state board is important.

#### **Architects/Landscape Architects**

The committee is reminded that there are three different license types for these professions. Col. Wilson asked – If the state is already licensing practitioners, why is it necessary for the company to have a corporate license as well for both accountants and accounting firms? Mr. Pope explained that it's another way to regulate the company itself as opposed to the individuals. He explained that it helps cover anyone else in the company who aren't licensed professionals but are still necessary support staff. Ms. Quandt explained that it's a way to keep the entity itself responsible. Col. Wilson thinks it's excessive for the state to mandate a corporate license.

Mr. Reed explained that in his experience with the Indiana Real Estate Commission, it's rare that sanctions are issued against a corporate license. Sanctions are usually just against individuals. It's more common in the funeral/cemetery business for the firm permits to be revoked. Mr. Wright explained that even if a sole practitioner is in practice, they need to have an individual license and a firm license as well.

Col. Wilson responded that overall, he finds no compelling risk to the consumer to get rid of the accountant firm license. He believes that the profession does a great job of regulating itself in the first place, so the firm license just seems excessive. Mr. Reed explained that sometimes the corporate license is necessary to meet IRS standards for corporations. Col. Wilson explained that he believes that there are other resources out there for government to stop bad practices if something goes wrong. Mr. Rhoad believes that in the recommendation, there should be a section to include something that we have uniquely identified in the profession and its licenses.

Changing the discussion topic, Mr. Rhoad explained that he struggles with recognizing the state's proper role in regulating landscape architects. Ms. Quandt responded that landscape architects have rigorous education requirements and work well in conjunction with architects. Ms. Quandt recognized the public safety aspect of landscape architects, but she doesn't believe there is a compelling public safety risk if the state does not regulate the license. Col. Wilson mentioned that in lieu of an apprenticeship, there should be some kind of significant training program in place that will promote more competition instead of the "cheap labor" of interns. Col. Wilson thinks that a certification program for landscape architects might be easier for them to enter the profession, as long as training remains rigorous, which could be set by the authorizing association.

Mr. Wright brought up the issue of reciprocity in other states. Col. Wilson believes that with rigorous certification requirements, it could help alleviate any reciprocity issues with other states. Col. Wilson believes that absent any huge government objections, the committee should be bold with its thoughtful recommendations of how to approach potential legislation with these professions.

Mr. Pope wanted to discuss how some of the definitions for the professions (scope of practice) could be tightened up. He explained that some of the definitions for the licensed practices are ambiguous or vague, and it allows the AG's office to have more power to go after anyone seeming to be in violation of the licensure – too much legal interpretation. He believes that it puts too much power into AG's office, so you have to hope that the AG's office fully understands the profession and doesn't accidentally go after someone not really in violation. An example would be someone who just cuts grass being prosecuted for not having a landscape architect license. Mr. Rhoad wanted to remind everyone that the committee's goal is to just make legislative recommendations for the legislature to then ponder on and decide if they want to act on them or not. Mr. Pope still believes that definitions of these professions need to be defined very clearly so that the state doesn't accidentally require that any lawn-mowers need a landscape architect

### **APPENDIX III – JCC Meeting Minutes**

license, when they really don't. Mr. Rhoad believes that the committee can put language in the final recommendation about specifying the landscape architect profession.

#### **Home Inspectors**

Mr. Rhoad could only find 14 disciplinary cases that came before the Board since the creation of the license. Also, since it is almost always the real estate brokers who order the home inspection, not the consumer, there is no consumer risk. Mr. Reed believes that the industry will weed out the bad inspectors, plus two major trade organizations regulate it pretty well. Only 5% of home buyers choose their own home inspector. Col. Wilson is just not convinced that licensing this profession was ever an important issue or a public safety issue. Mr. Reed believes it was just a powerful lobby back then. Ms. Quandt is still concerned about the testimony from the home inspector trade organization, and how they like the super high licensing fees because it keeps out the "hobbyists." The Committee is in agreement that this is a perfect example of a profession that can be deregulated. Mr. Rhoad also points out the PLA and the Home Inspector Licensing Board are currently working to lower the fees to \$50, from \$450.

#### **Engineers**

Mr. Rhoad expressed that the intern/apprenticeship license for this profession is a concern to him. Col. Wilson again questioned the necessity of both the intern license and the corporate license for this profession. He wonders why it is necessary to license the individual engineers in a firm, plus license the overall firm, and in addition to licensing the interns who should be supervised by individually licensed engineers in the first place. He feels it is redundant.

#### **Surveyors**

Mr. Rhoad felt that there is redundancy in this field. He explained that this profession has firm licenses, intern licenses, continuing education provider licenses, and corporate licenses. He believes that the IPLA should be carefully to wade into the education licensing business. Mr. Pope said that the AG's office does not typically receive complaints for continuing education providers. Col. Wilson expressed concerns with the people providing the education who might have direct connections with the actual trade organization, so the level of transparency concerns him. He explained that he is not attacking training or professional development; he would just like to ensure that the licensed CE providers are not in cahoots with trade organizations or any other behavior that might take advantage of trainees. Mr. Pope explained that sometimes he sees other schools accepting students who are not capable of finishing the program just so they can collect the federal/state education grants. He believes that licensing CE providers were probably initially established as a consumer protection issue.

#### **Private Investigator and Security Guard Firms**

Mr. Rhoad expressed his concerns about IPLA possibly not being the best agency to oversee these professions. He believes that some monitoring of this profession is necessary and perhaps ISP or DHS would be better suited to regulate any violations. Col. Wilson agreed with Mr. Rhoad's concerns. He also expressed his concerns with the amount of security guards who are allowed to carry a gun in a security capacity with just obtaining a private, individual firearm permit. He believes that there should be more regulation of the individuals in the security guard profession who are required to carry a gun during their shifts to use in a security or protection capacity.

Mr. Rhoad explained that he attended a disciplinary hearing for this profession. He believes that most reasonable people or children would easily assume that most security guards are police officers, as their uniform and cars often look similar to police, and that is concerning to him.

### **APPENDIX III – JCC Meeting Minutes**

Col. Wilson expressed that he doesn't want to bother licensing the retired guy doing unarmed mall-security. He is only interested in regulating the security guard or private investigators carrying weapons and/or working for high-end clients. He agrees that some kind of mandatory training, possibly managed by the ISP, would be beneficial to these licensees to help protect the public.

#### **Manufactured Home Installers**

Mr. Rhoad expressed that state regulation of this profession is mandated by the federal government, so there is not much that the Committee can do to make changes to this board/license. Mr. Pope mentioned that this license also has a twist, because without the manufactured home license, individuals in this profession would need to obtain separate licenses for plumbing, electric, etc. He believes that this is a license that the committee does not need to examine any further or recommend any changes.

#### **Funeral/Cemetery Service Practitioners**

Mr. Rhoad mentioned that this profession provided the committee with difficulties in distinguishing between all of the different license types. He suggested that the committee recommend consolidating or eliminating some of these potentially redundant license types. Mr. Rhoad believes that the committee should be mindful of any recommendations in this area, due to the sensitive nature of the work of funeral and cemetery service providers.

#### **Hearing Aid Dealer Examiners**

Mr. Rhoad expressed concerns about the stiff entry requirements for this profession being a barrier to entry. Col. Wilson expressed his doubts about the necessity of licensing interns in this profession. He explained that maybe this license needed oversight back in the nineties, but in the age of the Internet and widespread consumer access to reviews of providers, the state may not need to protect consumers from unscrupulous bad practitioners in this field anymore.

Mr. Wright mentioned that there may be more necessity to protect consumers, since hearing aids mostly deal with a more vulnerable demographic.

Col. Wilson agrees, but he believes that the market should ultimately take care of poor quality providers and that good quality providers should stay in business. He is not convinced that licensure really motivates people to provide quality service in this industry. Mr. Reed expressed concerns that at the rate of disciplining violations in this profession at two per year, if it is really worth the money of financing the Board to regulate the profession.

#### **Plumbers**

Col. Wilson explained to the committee that he was initially skeptical about this profession, but he became convinced from further review and industry testimony of its necessity and overall efficiency. He explained that this industry has robust oversight by trade organization and local ordinances that keep professionals in check and goes well beyond state regulation of the licenses. The committee may want to ask the Legislature to look into reducing state involvement and moving more responsibility onto to county/local offices since they often interact with individuals in this profession the most, mostly in the building permit offices.

Mr. Rhoad agreed that there is a serious public health issue in licensing and oversight of plumbers. He explained that his only concern is promoting the profession and getting more people into the apprenticeship and education programs. Col. Wilson also asked about the necessity of the corporate

### **APPENDIX III – JCC Meeting Minutes**

plumbing license; he expressed his concern about more potential redundancy.

#### **Auctioneers**

Mr. Rhoad explained that his only real concern with this profession is the licensing of course providers and education providers in general. He asked if the Board should really be involved in education programs. Mr. Reed explained that the State is requiring that the course providers pass a certain state exam to make sure that the courses are providing quality coursework to ensure high pass rates for their students. He elaborated that if a CE provider is going to charge a consumer \$650, it needs to be of adequate quality to ensure that the consumer has the tools to pass state exams. Col. Wilson expressed more concerns about the necessity of licensing the firm and the individual auctioneers. He suggested that the committee ask the Legislature to examine this potential redundancy.

#### **Assessment Framework for Board Recommendations**

Mr. Rhoad wanted to spend the remainder of the meeting discussing how to compose the recommendation and make it clear to the General Assembly the purpose of these licenses and how the licensing boards can oversee each of them.

Col. Wilson thinks that the committee should make a recommendation for a working capital fund, and that it could be an attachment to the main report due on July 1st. Mr. Rhoad stated that since IPLA is the only state agency that oversees professional licenses, it should have the power to consolidate back-room operations to prevent duplicating efforts, increase efficiencies, promote economies of scale, etc. He explained that he wants to see all professional licenses pay for themselves and avoid the General Assembly needing to make appropriations for the IPLA.

Col. Wilson explained that he supported Mr. Rhoad's ideas for three reasons. He likes the idea that taxpayers wouldn't pay for licensee oversight, and the licensed professionals would take care of it themselves through their licensing fees. He also believes that such a recommendation would take the incentive away from creating more licenses just to increase revenue stream. Col. Wilson also likes the idea that Mr. Rhoad's suggestion increases overall accountability of the IPLA, since currently most people don't know without extensive research the exact cost of overseeing each professional license. He also believes that it's a good opportunity to consolidate the boards where appropriate. He also suggested for the committee to include some kind of sunset provision in their recommendation to allow the legislature to review these professional licenses on a regular basis.

Mr. Reed asked why the sunset provision was done away with in the first place.

Mr. Rhoad added that he believes that more continuing education and licensing exams should move more towards a competency-based model rather than experience hour requirements. He believes that it would be a more effective way to help more Hoosiers pass the exams to obtain these licenses, and he notes that the accounting professional already utilizes this education model with great success.

Col. Wilson also wanted it added to the recommendation that the committee would like to see more clearly define professions to make sure that the state isn't accidentally regulating professions that don't need oversight.

Mr. Pope suggested that perhaps the committee should recommend creating sub-sets of licenses, such as creating hair-braiding licenses instead of requiring individuals to obtain a costly and broad cosmetology license, to ultimately lower barriers to entry in professionals with low public safety risks. Col. Wilson agreed that cosmetology may be a great example for an industry self-certification. Mr. Goodwin pointed

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out to the Committee that the self-certification registry is voluntary, whereas professional licenses are mandatory.

**Concluding Discussion by the Committee**

None.

**Adjournment**

Motion to adjourn was proposed by Chairman Rhoad at 11:11 AM. Mr. Wright so moved and Col. Wilson seconded. Without opposition, the motion carried and the meeting was adjourned.

**Next Scheduled Meeting**  
June 17, 2015 at 1:00 PM  
Indiana Government Center-South  
402 West Washington Street, Room W064  
Indianapolis, IN 46204

**Jobs Creation Committee**

**September 18, 2014 10 a.m.**

**Indiana Government South, W064**

**INCPAS Comments: Gary Bolinger, CAE, President & CEO, Indiana CPA Society**

**1. Introduction:**

- Introduction and brief background: Gary Bolinger
- Indiana CPA Society overview:
  - 100 years of representing CPA profession in Indiana
  - Represent 8,000 CPAs in Indiana
  - Approximately 70 percent of licensees
  - Recognized as trusted business advisors, we have members in all segments of the business community: locally, nationally and internationally.

2. The Society was asked to provide information to address Part 4 of the committee’s charge, which is stated in the legislation that created the committee, SEA 421, which is now PL 112-2014 as:

***Part 4. An assessment of the effect of the CPA/Accounting profession on the state’s economy, including consumers and businesses.\****

Excerpt from: International Federation of Accountants® *IFAC Policy Position 1: Regulation of the Accountancy Profession, September 2011*

The Accountancy Profession:

*“Members of the accountancy profession contribute to their communities in a wide variety of different roles, and within a range of different organizations. . Professional accountants work in, and contribute across, virtually all sectors of the economy, fulfilling diverse roles.*

*Professional accountants:*

- *Contribute to the growth of individual companies, support and sustain non-profit organizations, and assist governments in achieving their economic and social objectives; and*
- *Promote financial market performance, through the reporting of, and providing assurance on, financial information on which investors and other stakeholders rely in making resource-allocation decisions.*

*In these ways and others, professional accountants contribute to the growth of economies and ultimately to the well- being of society.”*

## **APPENDIX IV – JCC Handouts – Indiana Board of Accountancy**

Additional excerpt from a report on US Accounting Services published in March of this year.

*“Firms in the accounting profession are certified to audit the accounting records of public and private organizations and to attest to compliance with generally accepted accounting practices. Certified public accountants (CPAs) provide a variety of accounting services, including auditing accounting records, designing accounting systems, preparing financial statements, developing budgets and providing advice on matters related to accounting.”* [IBISWorld.com](http://IBISWorld.com)

- With the majority of Society members in public accounting and approximately 36 percent of membership holding positions in industry, government and education, CPAs effect countless business decisions being made in Indiana and beyond every day. They contribute immeasurably to the economic success of the state, the country and Indiana citizens.
- For more than 100 years the profession has provided essential services to both individuals and companies of all sectors and sizes in support of a system of voluntary tax compliance at the federal and state level.
- Additional statistics and information is available.

### **3. Part 5 of the committee’s charge includes:**

***Part 5. Any recommendations for legislation, including whether: \****

- *The regulation of CPAs should be modified*
  - The Society does not have specific recommendations for modification at this time. INCPAS supports the profession and regulators continuously assessing potential modifications, but caution that Indiana should remain consistent with other states to prevent unintended consequences that could negatively affect Indiana’s licensees.
- *The board should be combined with another board; or*
  - The Society does not support the ”super board” model where multiple licensed professions are overseen by one large board made up of directors from various professions.
  - The CPA profession is complex, technical and highly regulated at all levels. CPAs are held to numerous sets of complex standards and ethics code that require specialized understanding to properly regulate the profession.
- *The board or the regulation of the profession should be terminated*
  - It is in the best interest of the public for the regulatory board to understand the profession and have appropriate disciplinary authority to enforce the rules and regulations pertaining to the profession.
- *A license should be eliminated; or*
  - Given the profession’s responsibility to the public, it should not be eliminated. Following the discovery of the ENRON scandal in 2001, CPAs and firms conducting audits for

#### APPENDIX IV – JCC Handouts – Indiana Board of Accountancy

public companies were under increased scrutiny. They are required to be licensed under the accounting and auditing standards established by the Sarbanes-Oxley Act, which was enacted in 2002. (Public Law 107-204., 107<sup>th</sup> Congress)

- *Multiple licenses should be consolidated into a single license*
  - Prior to 2007, Indiana had multiple licenses for accounting professionals: Certified Public Accountant, Public Accountant and Accounting Practitioner. Effective July 1, 2007, the AP and PA classes of accounting licenses were discontinued and existing licensees were grand-fathered in the statute. (IC 25-2.1-6-4.5).
  - The Society supports licensing of CPAs and opposes licensure of any other than this class. (INCPAS Board policy: Section 9 adopted 8/3/88 and subsequently revised in 2005 and 2006)

#### **4. Provide additional background: why profession should be regulated:**

- Certification: the 3 E's  
Certification across the country generally requires the 3 E's: Education, Exam and Experience
- Professional Development/Competence
  - CPE
  - Competency
- Enforcement
  - Peer Review – why it is important?
    - **IC 25-2.1-5-8 Rules requiring peer review before renewal**
  - Administering entity for Peer Review – Society's role
    - **872 IAC 1-6-8 Responsibilities of administering entity**
  - Mobility – Ability to move freely and easily
    - Allows CPAs and firms to have practice privileges outside of domicile state with “no notice, no fee, and no escape.” Indiana added mobility in 2007.
    - Individuals

#### **5. For the committee's consideration:**

- Example: Firm permit clarification issue
  - Clarify existing law and change rule to be consistent
  - Or require individuals to have peer review
  - Statutes interpreted as individual or firm but rules make it unclear as it only references firms-confusing to some in their interpretation

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- **IC 25-2.1-1-7 "Firm"**

Sec. 7. "Firm" means a proprietorship, a general business corporation, a professional corporation, a limited liability company, a partnership, or other form of legal entity issued a permit under IC 25-2.1-5 or a registration under IC 25-2.1-6.

*As added by P.L.30-1993, SEC.7. Amended by P.L.128-2001, SEC.9*

- **IC 25-2.1-1-8.7 "Peer Review"**

Sec. 8.7. (a) "Peer review" means a study, an appraisal, or a review of at least one (1) aspect of the professional work of:

(1) an individual who; or

(2) a firm in the practice of accountancy that;

attests or issues compilation reports, by at least one (1) individual who holds a certificate from any state and possesses qualifications that meet the applicable substantial equivalency standards and who is independent of the individual or firm being reviewed. The term includes any part of a quality review conducted before July 1, 2012, that becomes part of a peer review conducted or peer review report issued after June 30, 2012.

(b) After June 30, 2012, any reference in any law, rule, or other document to "quality review" as that term was applied under this article before July 1, 2012, shall be treated as a reference to peer review.

*As added by P.L.197-2011, SEC.75.*

- **IC 25-2.1-12-3.5 Attest services performance prohibited**

Sec. 3.5. A holder of a CPA or PA certificate issued under this article may not perform attest services except through a firm that holds a valid permit under IC 25-2.1-5.

*As added by P.L.128-2001, SEC.43.*

- **872 IAC 1-6-1 Applicability**

Authority: IC 25-2.1

Affected: IC 25-2.1-5; IC 25-2.1-6

Sec. 1. (a) This rule establishes a peer review program for CPA and PA firms issued a permit under IC 25-2.1-5.

- Board of Accountancy has interpreted definition of firm to mean that even sole practitioners need a firm permit
- Would save administrative time and resources to provide clarity
- Proposed legislation in 2014 offered a potential fix. There is still a need for clarification to reduce confusion.
- Should Jobs Creation Committee have a recommendation?

**6. Part 6: Any recommendations for administrative changes**

- Consider private sector support for administrative functions of IPLA

#### APPENDIX IV – JCC Handouts – Indiana Board of Accountancy

- There is a duplication of administrative functions between Society membership and state licensing offering potential for streamlining. Possibly through outsourcing/privatizing some administrative functions:
  - Database
    - Society's is more accurate and better maintained
    - Licensees have to submit much of the same information to both
    - Creating frustration in the marketplace and in some cases confusion on roles
  - Examples of successful partnering programs include: CPE audit, draft rules, peer review, competency-based pilot program
  - CPE audits
    - INCPAS has provided member resources and volunteers for CPE audits; allowing state resources to be utilized in other areas
    - Could create the potential to audit close to 100 percent of active licensees (assuming it would be allowed by law)
    - Could explore innovative ideas such as "real time" audits
- Opportunity for Indiana to lead profession through innovative ideas
  - Example: Competency based pilot program
    - What it is and why
- Create a new model for professional development:
  - Develop education at all levels that recognize the use of technology and new learning methodology
  - Increased complexity demands new methods for professionals to maintain and enhance competency
- Establish a regulatory framework for new professional development model, such as a competency based system for license renewal.
- Enforcement fund (IC 25-2.1-8-4) (PL 190-2007 Established fund)
  - The Indiana CPA Society has concerns about the enforcement funds use
  - Licensees/profession supported the creation of the enforcement fund because the profession felt there was a need to protect the public and preserve the integrity of the profession.
  - The funds are dedicated and funded by the additional license fee of \$30/cycle
  - There is a need and defined role for the compliance position and the funds should be utilized to support the compliance position and administrative functions related to compliance issues. (IC 25-2.1-9-2 )

**7. Questions/Discussions/Closing remarks:**

- The Indiana CPA Society and its members proudly represent CPAs in Indiana with the highest level of professionalism, competence, and ethical standards. The Society thanks members of the Jobs Creation Committee for the opportunity to provide this information.

**Reference: SEA 421: PL 112-2014**

**\*IC 25-1-16-8**

**Review and evaluation of regulated occupations and boards; report**

Sec. 8. (a) The committee shall review and evaluate each regulated occupation and board. The review and evaluation must include the following:

- (1) The functions, powers, and duties of the regulated occupation and the board, including any functions, powers, or duties that are inconsistent with current or projected practice of the occupation.
- (2) An assessment of the management efficiency of the board.
- (3) An assessment of the regulated occupation's and the board's ability to meet the objectives of the general assembly in licensing the regulated occupation.
- (4) An assessment of the necessity, burden, and alternatives to the licenses issued by the board.
- (5) An assessment of the fees that the board charges for licenses.

(6) Any other criteria identified by the committee.

(b) The committee shall prepare a report concerning each regulated occupation and board that the committee reviews and evaluates. The report must contain the following:

- (1) The number of individuals who are licensed in the regulated occupation.
- (2) A summary of the board's functions and actions.
- (3) The budget and other fiscal factors of regulating the regulated occupation, including the actual cost of administering license applications, renewals, and issuing licenses.
- (4) An assessment of the effect of the regulated occupation on the state's economy, including consumers and businesses.
- (5) Any recommendations for legislation, including whether:
  - (A) the regulation of a regulated occupation should be modified;
  - (B) the board should be combined with another board;
  - (C) whether the board or the regulation of the regulated occupation should be terminated;
  - (D) whether a license should be eliminated; or
  - (E) whether multiple licenses should be consolidated into a single license.
- (6) Any recommendations for administrative changes.
- (7) Information that supports the committee's recommendations.

(c) This section does not apply to fees that support dedicated funds. After the committee has reviewed and evaluated a regulated occupation and board, the committee shall provide the agency and the board that is the subject of the committee's evaluation with recommendations for fees that the board should charge for application fees, renewal fees, and fees to issue licenses. The recommendation for fees must comply with the requirements under IC 25-1-8-2. However, the recommendation must not exceed the lesser of either one hundred dollars (\$100) or the actual administrative cost to process the application or renew or issue the license.

[\\*\(IC 25-1-16-8\)](#)



## Indiana Board of Accountancy



Paul Schilling  
Deputy Attorney General  
Home Owner's Protection Unit

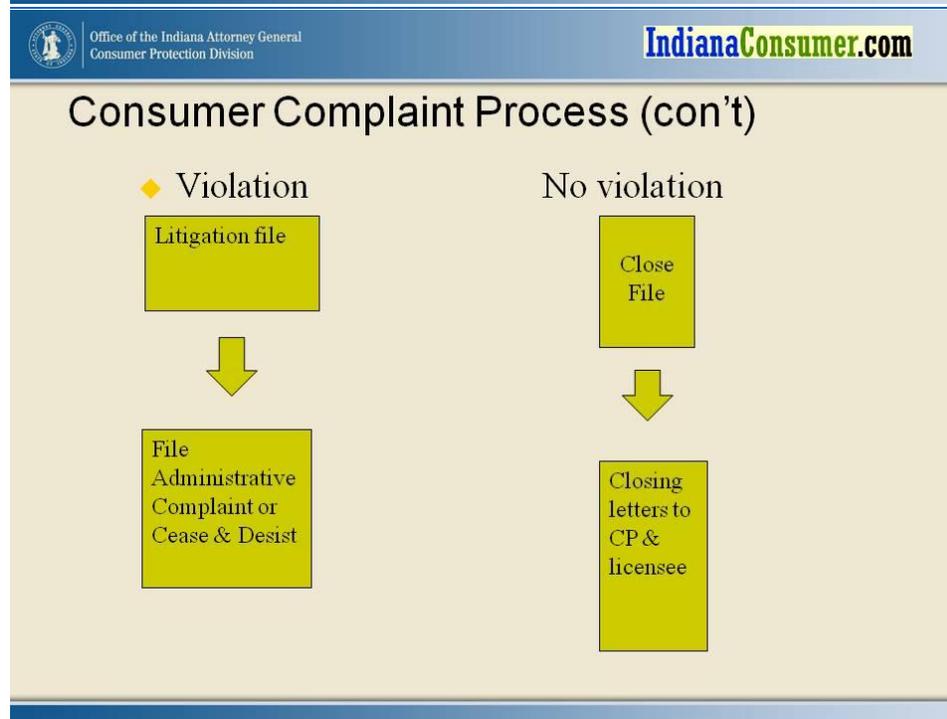
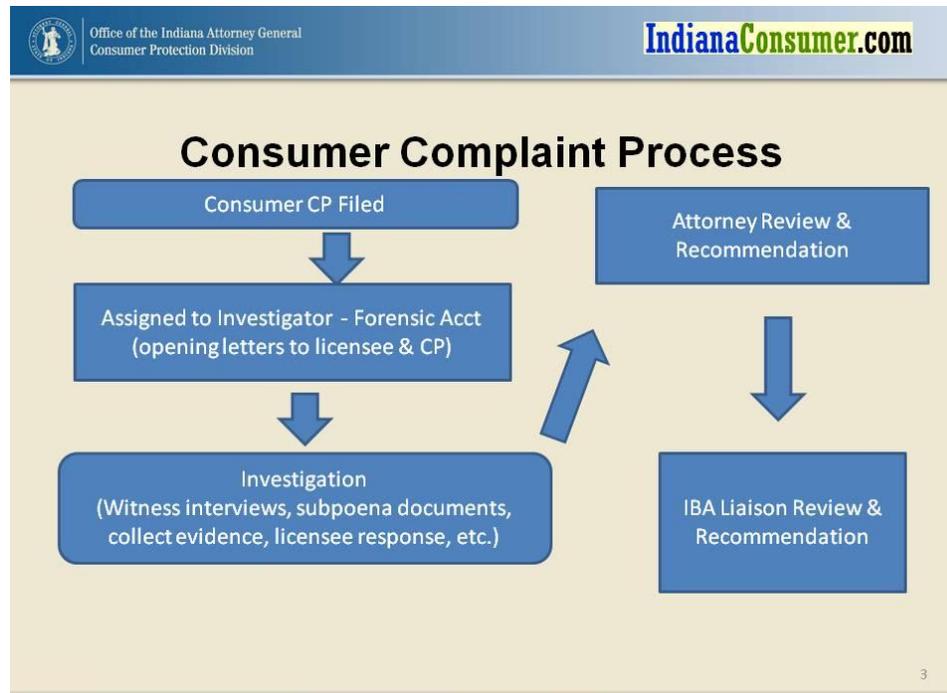


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## Licensing Enforcement & Homeowner Protection Unit

- Licensing Actions
- CPAs, Public Accounting Firms, Accounting Practitioner
- Can file motion for cease & desist order against someone who is practicing without a license





## Litigation Process

- Settlement Conference
  - Informal / confidential
  - With OAG & IBA Liaison
  - Licensee can present evidence
  - OAG (with liaison input) may make settlement offer
  - Licensee can accept or decline
  - If declined = hearing



5



## Litigation Process (con't)

- Licensing Action Before IBA
  - Formal hearing
  - Sworn testimony
  - OAG representing State
  - Both sides present evidence
  - Board can question licensee & witnesses
  - Sanctions & discipline determined by Board



6



## Sanctions Ind. Code 25-1-11-12

- Revocation
- Suspension (X period of time; other conditions (fines, CE courses, restitution, civil penalties)
- Probation (X period of time; other conditions)
- LOR
- Public Censure
- Civil penalties of \$1,000 per count / violation



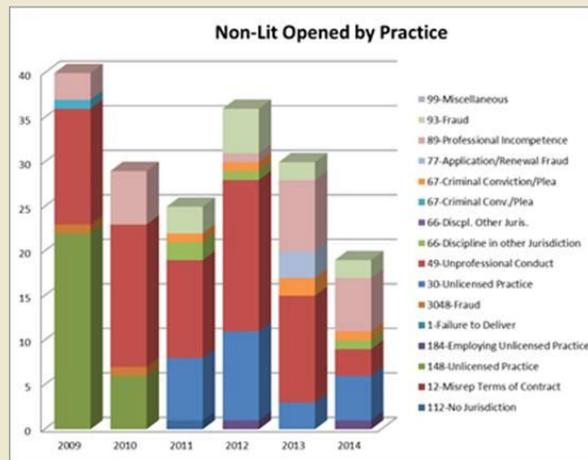
### By the numbers

Year	Consumer Complaints
2009	40
2010	28
2011	24
2012	35
2013	29
2014	19
Currently 16 open cp files	





## Types of consumer files



## By the Numbers - Administrative Cases

Action Taken	2009	2010	2011	2012	2013	2014
Admin CP	6	4	4	11	4	8
Cease & Desist	3	3	2	6	2	1
Total	9	7	6	17	6	9



## 5 most common complaints

- 1. Unlicensed practice (failed peer review)
- 2. discipline in another jurisdiction
- 3. professional incompetence  
(AICPA or other rule violations; failure to provide client files, etc.)
- 4. criminal conviction
- 5. advertising



## Questions?



## **INASLA Jobs Creation Committee Presentation**

**October 16, 2014**

### **INASLA**

The Indiana Chapter of the American Society of Landscape Architects (INASLA) is a non-profit organization consisting of nearly 200 members. The INASLA Executive Committee is comprised solely of volunteers.

The members and associates of the Indiana Chapter of the American Society of Landscape Architects believe in contributing to our communities and profession as leaders in the field of landscape architecture; to lead, to educate and to participate in the careful stewardship, wise planning, and artful design of our cultural and natural environments.

The chapter's activities include: advocacy for the profession, continuing education offerings throughout the state, professional and student design awards program, student academic awards program for Purdue University and Ball State University's Landscape Architecture programs, annual conference and expo, golf outing, holiday party, and other social networking events.

### **What Landscape Architects Do**

Landscape Architects plan livable communities that foster active lifestyles, design green streets that manage stormwater runoff, plan cutting-edge transportation corridors that are safe for all users, and help communities prepare for and recover from natural disasters. Landscape architecture encompasses the analysis, planning, design, management, and stewardship of the natural and built environment through science and design.

See the attached PDFs for more information and visit <http://www.asla.org/design/index.html> for more information.

### **Path to Licensure**

Landscape Architects in Indiana must be licensed before they can practice landscape architecture or call themselves a Landscape Architect.

The three steps to becoming licensed include:

#### **Education:**

The Landscape Architectural Accreditation Board (LAAB) accredits bachelor and master level programs at 68 institutions across the United States. Purdue University and Ball State University are LAAB accredited.

#### **Experience:**

Candidates are required to obtain a minimum of three years of experience working under a licensed landscape architect, prior to licensure.

#### **Examination:**

Candidates are required to pass the four-part Landscape Architect Registration Examination (LARE). The Council of Landscape Architectural Registration Board (CLARB) administers and grades this exam. Skills tested include: project development; site suitability; stormwater management; erosion control;

## **APPENDIX IV – JCC Handouts – State Board of Registration for Architects and Landscape Architects**

hydrology; and irrigation. Candidates also must demonstrate competence in such areas as: layout of playground equipment; vehicular and pedestrian circulation; roadway alignment design; site lighting layouts; manipulation of contours and spot elevations; calculation of slopes, grades, and volumes of material; design of surface and subsurface storm drainage, including hydraulic characteristics and storm drain connections; and site planning for buildings.

The four sections of the LARE include:

1. Project and Construction Management
2. Inventory and Analysis
3. Design
4. Grading, Drainage and Construction Documentation

Continuing Education:

Once licensed, Landscape Architects in Indiana are required to obtain 24 continuing education units (CEUs) every two years in order to maintain their licensure. 16 of the 24 CEUs must fall under the health, safety, and welfare criteria.

### **Economic Impact**

Landscape Architects bring more to the state's economy than the traditional 'curb appeal' that is typically associated with landscapes. As with architecture, landscape architecture is the leading edge of the construction industry. With projects ranging from community planning and design, to transportation planning, to park and recreation design, landscape architects plan much of the built environment.

Following are a few points relating specifically to economics tied to transportation issues, especially pedestrian/bicycle infrastructure:

Communities with walkable streets and sidewalks have higher real estate values. A recent study, *Walking the Walk: How Walkability Raises Home Values in U.S. Cities*, showed that houses with the above average levels of walkability command a premium of about \$4,000 - \$34,000 over houses with just average levels of walkability.

Bicycle and pedestrian projects are helping provide economic development to local economies as well as state-wide economies. For example, the state of New Jersey recently calculated that in total, active transportation-related infrastructure, businesses, and events were estimated to have contributed \$497.46 million to the New Jersey economy in 2011, which was nearly eight times the estimated \$63 million invested in infrastructure that year.

Active transportation projects create jobs: A study conducted by the Political Economy Research Institute found that for each \$1 million spent on bike lanes, approximately 14 jobs are created. Compare this to \$1 million spent on road repair work that generated about 7 jobs.

Increasingly, small towns and rural communities need more bicycle and walking projects. Between 6.9 percent – 9.6 percent of all trips are made by biking and walking. A recent study, *Active Transportation Beyond Urban Centers: Walking and Biking in Small Towns and Rural America*, demonstrates that rural

**APPENDIX IV – *JCC Handouts – State Board of Registration for Architects and Landscape Architects***

communities increasingly want more walkable and bicycle-friendly communities to attract businesses and tourism and attract and retain much-needed workers.

The average salary for landscape architecture professionals is \$71,100 according to a 2010 national survey by the American Society of Landscape Architects (ASLA). The average salary for licensed landscape architects is \$77,700 – representing 73 percent of all respondents. The average salary of those without a license is \$52,700.

The biennial fee for a landscape architect license is consistent with the national average. The national average is \$110.

**Why is licensure for Landscape Architects important?**

All 50 states have recognized that regulation of landscape architecture is necessary to protect the public health, safety, and welfare. All but three states regulate the profession through a practice act. The remaining three states have enacted title act statutes. A practice act is important because of the real danger to clients and the users of these public and private spaces: physical injury, property damage, and financial ruin. Without regulation, landscape architects in Indiana may have difficulty in successfully bidding for work, as projects will likely be awarded to professionals that hold licenses, proving to the client that they are capable of such work.



# AIA Indiana

A Chapter of the American Institute of Architects

## AIA INDIANA JOB CREATION COMMITTEE PRESENTATION

October 16, 2014

### **AIA INDIANA**

**The American Institute of Architects [AIA]** is the national voice of the architecture profession dedicated to: serve its members; advance their value; and improve the quality of the built environment while protecting the health, safety, and welfare of the public.

The American Institute of Architects [AIA Indiana Chapter] is a non-profit professional association representing the interests of and providing services to nearly 700 Hoosier architects.

The Chapter's programs and activities have a statewide focus. Services include: monitoring legislative issues and government regulations; professional development and educational seminars; design assistance teams to further community planning and development; annual convention and trade fair; design and service award programs; and support of Ball State and Notre Dame Universities Colleges of Architecture.

**WHAT ARCHITECTS DO** – video- <https://www.youtube.com/watch?v=HTudH-4BysA>

**PATH TO LICENSURE** - Architects must be licensed before they can practice architecture or call themselves an architect. There are four main steps to becoming an architect.

### **Education**

To become licensed, candidates must earn a professional degree in architecture from one of the more than 100 schools of architecture that have degree programs accredited by the National Architectural Accrediting Board (NAAB). (*BSU and ND are NAAB accredited*)

### **Internship**

Architecture graduates must complete an internship in order to become licensed. The Intern Development Program (IDP) is a comprehensive training program created to ensure that interns in the architecture profession gain the knowledge and skills required for the independent practice of architecture.

AIA Indiana, Jason Shelley, Executive Director  
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Most new graduates complete their training period by working as interns at architectural firms. Interns in architectural firms assist in the design of projects, help prepare architectural documents or drawings, build physical and digital models, or prepare construction drawings on CADD. Interns also research building codes and materials or write specifications for building materials, installation criteria, the quality of finishes, and other related details. Interns also are exposed to the management of projects and business as well as contracting for services.

#### **Examination**

All 50 states and US territories require the completion of the Architect Registration Examination (ARE). The examination is broken into seven divisions (Construction Documents & Services; Programming, Planning & Practice; Site Planning & Design; Building Design & Construction Systems; Structural Systems; Building Systems; Schematic Design). No single examination can test for competency in all aspects of architecture, which is why the ARE is not the only requirement to become a licensed architect. The ARE concentrates on those services that most affect the public health, safety, and welfare. The ARE has been developed with specific concern for its fidelity to the practice of architecture; that is, its content relates to the actual tasks an architect encounters in practice.

#### **Licensure**

All 50 states and US territories require individuals to be licensed (registered) in their specific state before they may call themselves architects and contract to provide architectural services. Once licensed, continuing education is required to maintain a license. Indiana requires 24 Continuing Education Units (CEU's) every two years, 16 of the 24 CEU's must be health, safety, and welfare education (HSW).

#### **ECONOMIC IMPACT**

The health of the economy is tied to the building sector. When the building sector expands it positively impacts every other U.S. sector and industry. Virtually every U.S. industry – from steel, concrete, insulation, mechanical and electrical equipment, solar systems, glass, wood, metals, tile, fabrics, engineering, banking, development, real estate, manufacturing, construction, wholesale, retail and distribution – depends on the demand for products and services generated by the construction industry.

Architecture is the leading edge of the construction industry that accounts for one in nine dollars of Gross Domestic Product. Every \$1 million invested in building design and construction yields 28.5 full-time jobs. When a client hires an architect, 30 additional jobs are created to build what the architects design.

Architecture is a small business profession: more than 97 percent of architecture firms employ 50 or fewer people. Many are sole practitioners.

Average salaries at firms range from around \$150,000 for firm leaders to \$40,000 for new hires. Most firms offer a salary increase to employees when they become licensed.

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**WHY IS LICENSURE IMPORTANT?**

Licensure is a formal recognition that an individual has demonstrated sufficient knowledge, skill and ability to practice the profession without endangering the health, safety and welfare of the public. Licensure is required in all 50 states and US territories.

The licensure of architects and landscape architects is based on a national licensing model which is integrally related to educational standards as defined and accredited by NAAB/LAAB, minimum levels of work experience (Intern Development Program) as determined by NCARB/CLARB, and the completion and passing of testing parameters (Architect Registration Examination) set by NCARB/CLARB. However, none of these agencies is involved in the granting of licenses to individuals, but serve mainly as the repository of information about candidates seeking licensure and professionals granted licenses by the individual States. The Indiana Board of Licensure for Architects and Landscape Architects is served by these organizations in the licensing of both professions. State licensing rules and statutes are based upon this relationship and unilateral changing would cause undo hardships for those practicing architecture and landscape architecture in the State of Indiana. The State has greatly benefitted from this symbiotic relationship by greatly reduced administrative cost.

Again, the licensing of architects is vitally important to ensure the quality and safety of the built environment. The rigors of education and training that prepare someone to become an architect uniquely qualify them to anticipate and respond to the many needs and challenges facing humanity today (ADA issues, public health and safety, sustainability, etc.)

The public benefits most from individuals who resolve and are willing to be fully accountable through a professional commitment reflected in licensure. Supporting and expanding the universe of licensed architects is essential to the mission of the AIA. The “protection” we pursue is inextricably linked to the health, safety, welfare, and well-being of the clients and communities architects serve. For Hoosier licensed architects, there is no higher calling.

**IMPROVEMENTS**

More robust investigative efforts with fees and fines dedicated to enforcement and the Board authority to impose them. When there are no fines or they are of trivial amount, they serve no purpose in deterring architects from violating the law, leading to an attitude of no big deal even if you get caught.

Architects want a newly licensed ceremony to commemorate the momentous occasion and the effort required to attain it.

More authority for the board to pursue unlicensed practice of architecture. In many states that rite has been granted to the licensing boards.

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**APPENDIX IV – *JCC Handouts – State Board of Registration for Architects and Landscape Architects***

Fines dedicated to the investigative fund instead of the general fund.

More communication from the board/agency. For example, other states produce a newsletter that includes recent updates/news/fines/etc.

Architects want and crave solid enforcement!

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# AIA Indiana

A Chapter of the American Institute of Architects

## MEMORANDUM

To: Job Creation Committee Members

From: Jason Shelley, AIA Indiana Executive Director

Date: October 14, 2014

Re: State Regulation of Architects

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AIA Indiana feels strongly the State has a need to license and regulate architects as the State is the only entity that provides the necessary assurance to the public that these professionals have the education and training necessary to competently design spaces. Also, but equally important is the need to protect consumers and ensure the competent and ethical practice of architecture in Indiana.

Licensed architects are needed to ensure built spaces in Indiana are safe for human use. By affixing their seal to a design, architects ensure their plans comply with building and accessibility codes and that the plans are ready for regulatory approval or construction. Competent design of a space is essential to the health, safety, and welfare of the public.

All 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands currently regulate the practice of architecture and require individuals to be licensed before they may call themselves architects or contract to provide architectural services. If Indiana did not provide regulation for architects, these professionals would be at a disadvantage compared to their counterparts in other states. Outside of state licensure, no other form of certification currently exists to distinguish architects. The national organizations of state boards that set standards for education, experience, and examination for architects do not provide certifications to non-licensed individuals.

In sum, state regulation of architects exists to protect the public from risks to its health, safety, and welfare. This regulation is necessary because the architecture profession directly affects public health. State regulation assures public protection by licensing those deemed competent to practice the profession, ensuring that licensed professionals maintain their credentials and receive ongoing education, and enforcing against those who violate statute or rules governing professional practice.

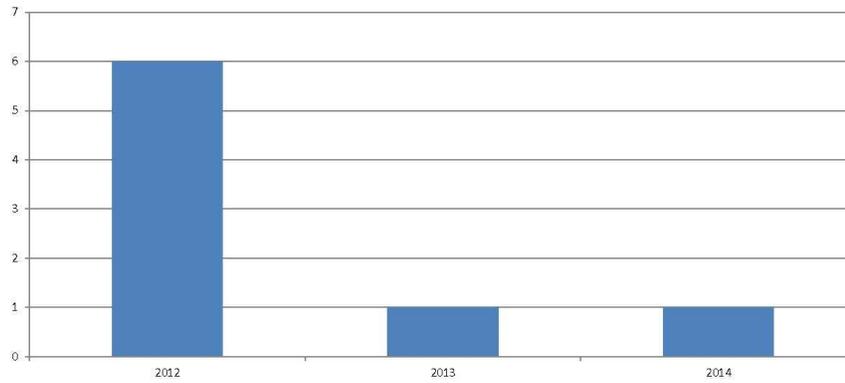
Do not hesitate to contact me if you have any questions or concerns.

Thank you for your service.

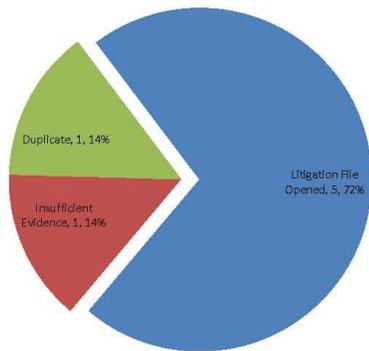
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### Landscape Architects Licensing Enforcement 2008 to 2014

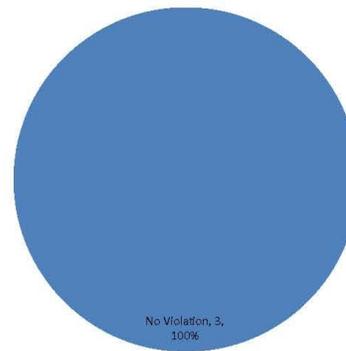
Complaints Received



Disposition of Complaints

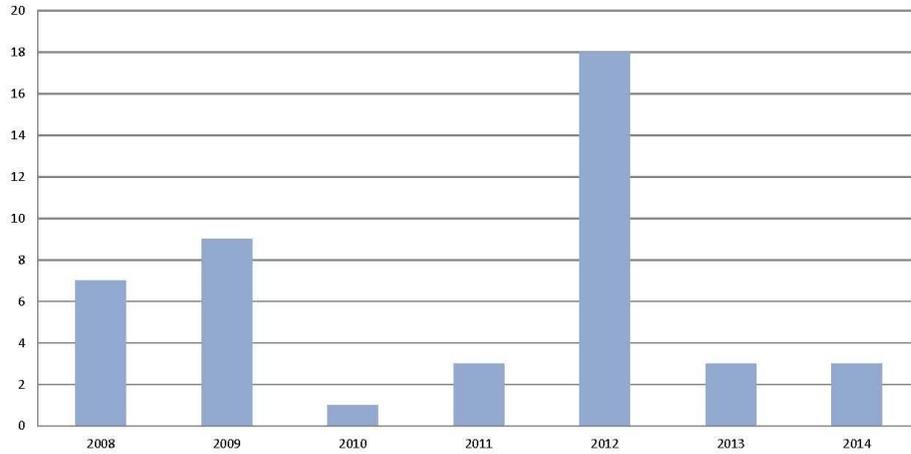


Disposition of Litigation

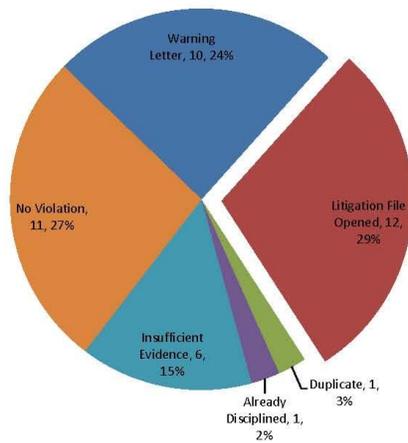


### Architects Licensing Enforcement 2008 to 2014

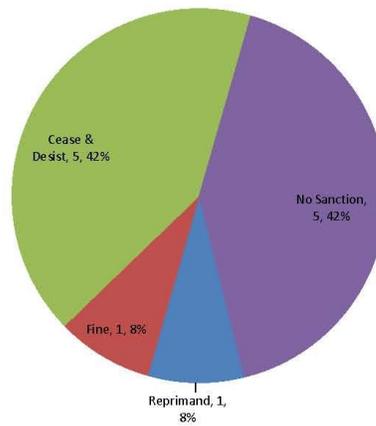
**Complaints Received**



**Disposition of Complaints**



**Disposition of Litigation**



JOBS CREATION COMMITTEE

OCTOBER 16, 2014

Speaking for the Indiana Chapter of American Society of Home Inspectors (INASHI)

President, Danny L Maynard, past national president of ASHI, former chair and member of the HILB

- Short history of home inspectors license
- Consumer Protection is the direct result of licensing of Home Inspectors. Those protected are: home buyers, home sellers, realtors and home inspectors.

The attorney general reports that he is initiating legislation to tighten up protection on home improvement fraud.

- Benefits of Home Inspector licensing

Standards of Practice

Code of Ethics

Report writing standards

Pre-licensing training

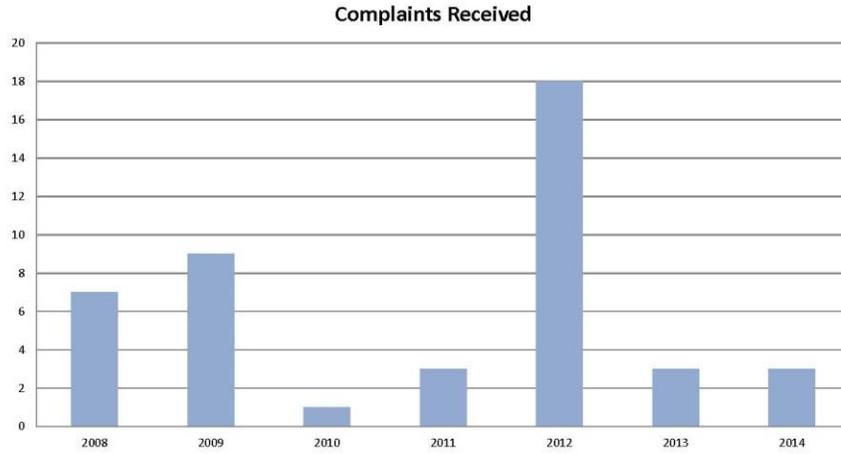
Competency testing prior to licensing

Registration and approval of pre licensing trainers.

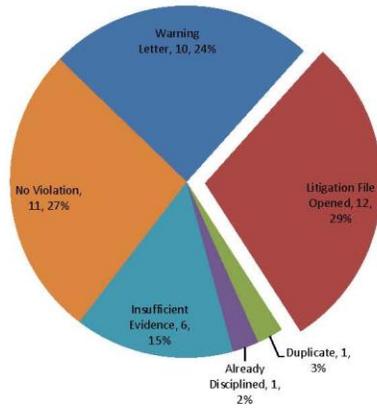
Continuing Education requirements and approval

- Licensing has a positive economic affect on Indiana
  - License pays for itself
  - Low complaints on Inspectors
- Licensing has a positive economic affect on Consumers
  - Purchasers get defective items and safety items repaired before purchase by sellers.
- Possible changes in the rules
  - Increase the percentage of CE audits
  - Establishing a Uniform Inspection report.
- Possible termination of license
  - Replacing licensing with an association certification will not work.
  - Raises a lot of 'Whos'
- Administrative changes
  - Publish minutes timely
  - Maintain web site
  - Create newsletter from the board and IPLA to licensees.

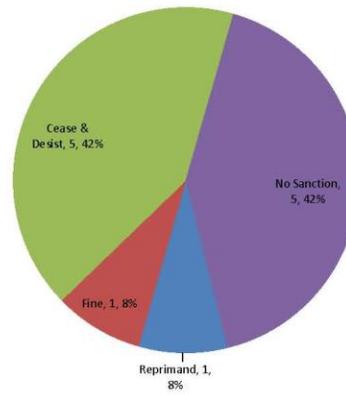
**Home Inspector Licensing Enforcement  
2008 to 2014**



**Disposition of Complaints**



**Disposition of Litigation**





**Presentation to Job Creation Committee**

15 January 2015

Scott S. Haraburda, PhD, PE, F.NSPE  
President, ISPE

## **Agenda**

- Engineering Failures
- History of PE Licensure
- Purpose of PE Licensure
- Licensure vs. Certification
- Benefits of PE Licensure
- Indiana Society of Professional Engineers

## Engineering Failures

Date	Failure	Impact
29 Aug 1907	Quebec Bridge Two Collapses	- 75 killed, 11 injured.
11 Sep 1916		- 13 killed.
15 Jan 1919	Boston Molasses Disaster	- 21 killed, 150 injured
20 Oct 1944	Cleveland East Ohio Gas Explosion	- 130 killed, 79 houses destroyed
5 Jun 1976	Teton Dam Collapse	- 14 killed, >\$1 billion
17 Jul 1981	Hyatt Regency Bridge Collapse	- 114 killed, >200 injured
2 Dec 1984	Bhopal Disaster	- 3,800+ killed, >0.5 mil injured
26 Apr 1986	Chernobyl Nuc Pwr Plant Accident	- >20 killed, >0.5 million injured
1 Aug 2007	Minneapolis I-35W Bridge Collapse	- 13 killed, 145 injured

<http://www.thecanadianencyclopedia.ca/en/article/quebec-bridge-disaster-feature/>  
<http://www.scientificamerican.com/article/molasses-flood-physics-science/>  
<http://ech.cwru.edu/ech/cgi/article.pl?id=EOGCEAF>  
[http://www.geol.ucsb.edu/faculty/sylvester/Teton\\_Dam/welcome\\_dam.html](http://www.geol.ucsb.edu/faculty/sylvester/Teton_Dam/welcome_dam.html)  
<http://www.engineering.com/Library/ArticlesPage/tabid/85/ArticleID/175/Hyatt-Regency-Walkway-Collapse.aspx>  
<http://www.ehjournal.net/content/4/1/6>  
<http://www.nrc.gov/reading-rm/doc-collections/fact-sheets/chemobyl-bg.html>  
<http://www.dot.state.mn.us/i35wbridge/>

## Engineering Failures - Causes

A 1976 study conducted at the Swiss federal Institute of technology in Zurich analyzed 800 cases of structural failure in which 504 people were killed, 592 people injured, and millions of dollars of damage incurred. When engineers were at fault, the researchers classified the causes of failure as follows:

<b>Insufficient knowledge</b> .....	<b>36%</b>
Underestimation of influence .....	16%
Ignorance, carelessness, negligence .....	14%
Forgetfulness, error .....	13%
Relying upon others without sufficient control ..	9%
Objectively unknown situation .....	7%
Unprecise definition of responsibilities .....	1%
Choice of bad quality .....	1%
Other .....	3%

M. Matousek and Schneider, J., (1976) Untersuchungen Zur Struktur des Zicherheitproblems bei Bauwerken, Institut für Baustatik und Konstruktion der ETH Zürich, Bericht No. 59, ETH. [[www.matscieng.sunysb.edu/disaster](http://www.matscieng.sunysb.edu/disaster)]

## History of PE Licensure

1907 Wyoming passes the first engineering registration law.

1922 The American Association of Engineers (which later became the National Society of Professional Engineers) put forth a platform for engineering that included the "*passage of an engineers registration law in every state and the enforcement of existing registration laws.*"

1934 The National Society of Professional Engineers is formed, with the membership requirement of being a professional, licensed engineer. At the time, only 28 states had engineering registration laws enacted.

1940 Between 1935 and 1940, 17 additional states, including Indiana in 1935, adopted engineering registration laws, partly through the efforts of NSPE members.

1947 Montana is the last state to enact engineering licensure laws.

[www.indspe.org](http://www.indspe.org)

A century ago, anyone could work as an engineer without proof of competency. In order to protect the public health, safety, and welfare, the first engineering licensure law was enacted in 1907 in Wyoming.

Now every state regulates the practice of engineering to ensure public safety by granting only Professional Engineers (PEs) the authority to sign and seal engineering plans and offer their services to the public.

## **Purpose of PE Licensure**

- Protect public from incompetence & misconduct.
- Requires demonstration of minimum competence.
- Require completion of:
  - An educational degree in a particular area of study,
  - A sufficient period of experience acceptable to the licensing board, and
  - Successful completion of written examinations.
- Issued for a specific period of time and renewed.
- Engineers must adapt to rapidly changing world.
- State boards seeking more authority to impose penalties upon non-licensed engineers.

Licenses are employed by governments, usually states, to regulate the practice of many professions to protect the public from incompetence and misconduct of practitioners. Obtaining a license is a privilege. It is not an individual's right and requires a demonstration of minimum competence. Licenses for engineers and some allied professionals are issued by specific boards appointed by states and territories of the United States.

They require completion of an educational degree in a particular area of study, a sufficient period of experience acceptable to the licensing board, and successful completion of written examinations. To become licensed, engineers must complete a four-year college degree, work under a Professional Engineer for at least four years, pass two intensive competency exams and earn a license from their state's licensure board.

Such licenses are state-specific, i.e., individuals must be licensed by each jurisdiction in which they wish to practice. Also, licenses are issued for a specific period of time and must be renewed periodically. Most jurisdictions require evidence of continuing professional development and learning as a condition for license renewal. Then, to retain their licenses, PEs must continually maintain and improve their skills throughout their careers.

Engineers must adapt to a rapidly changing workplace-restructuring, downsizing, outsourcing, privatization, and re-engineering. Engineers should prepare to make the transition into a consulting relationship with former employers and clients in the event of a corporate outsourcing and respond if their corporation decides to bring design and engineering services in-house. Only by becoming licensed can an engineer perform the

**APPENDIX IV – JCC Handouts – State Board of Registration for Professional Engineers**

broad scope of engineering services within an area of competence as defined under state law.

State engineering boards are increasingly seeking and obtaining the authority to impose civil penalties against unlicensed individuals who unlawfully engage in the practice of engineering.

## **Licensure vs. Certification**

- Licenses and accredited certifications are granted using similar credentialing practices.
- Licensure is required to offer services to the public, while certification is not required.
- License covers a broad body of knowledge, while certification is limited to a specialty more constrained in scope.

Licenses and accredited certifications are granted using similar credentialing practices, i.e., they rely upon a prescribed education program, applicable experience of some duration and scope, and an examination of the individual's knowledge and judgment. Both ensure that the credentialed individual is minimally competent in the scope of the service regulated. Licenses are required for a professional to offer services to the public. Certifications are not required and do not grant authority to a professional to offer services to the public. A common perception is that licenses address minimum competency and that certifications attest to a higher competency. This perception is not correct. Generally, a license covers a broad body of knowledge and a certification is limited to a specialty more constrained in scope. For example, a person may be licensed as a professional engineer and certified as a forensic engineer or a water resources engineer. However, the body of knowledge for some certifications can be broad in scope; typically, this occurs when the certification is the only available credential for the area of practice.

## **Benefits of PE Licensure**

- Mark of a professional.
- Demands extra competence and dedication.
- An enhanced public status.
- Is a legal requirement.
- Becoming more important for work in the government, education, construction, industry, and military areas.

Licensure, first of all, is the mark of a professional. The licensure process demands an extra measure of competence and dedication. While not all engineers find licensure mandatory for their chosen career paths, the PE initials after their names can provide many advantages. Employers in all disciplines indicate that they find licensed professional engineer employees to be more dedicated, with enhanced leadership and management skills. These employers look to licensure in evaluating the advancement potential of employees. Licensed engineers also achieve an enhanced status in the eyes of the public, which equates the engineer with professionals licensed in other fields. Licensure is an indicator of dedication to integrity, hard work, and creativity, and an assurance that the individual engineer has passed at least a minimum screen of competence. Of course, licensure is just a starting point for professional growth and development, and participation in professional activities is part of the ongoing activities of a true professional.

Licensure for individuals who wish to pursue a career as a consulting engineer or a private practitioner is not something that is merely desirable; it is a legal requirement for those who are in responsible charge of work, be they principals or employees. Only a licensed engineer may prepare, sign and seal, and submit engineering plans and drawings to a public authority for approval, or seal engineering work for public and private clients.

Licensure for engineers in government has become increasingly significant. Many federal, state, and municipal agencies require that certain governmental engineering positions, particularly those considered higher level and responsible positions, be filled only by licensed professional engineers. For those considering a career in education, many states

have been increasingly requiring that those individuals teaching engineering must be licensed. Exemptions to state laws are under attack, and in the future, those in education, as well as industry and government, may need to be licensed to practice. Also, licensure helps educators prepare students for their future in engineering. Many states require that individuals teaching engineering must also be licensed. Exemptions to state laws are under attack, and in the future, those in education, as well as industry and government, may need to be licensed to practice. Also, licensure helps educators prepare students for their future in engineering. With the growing complexity and the increasing diversity of modern construction processes and techniques, the engineer in construction must readily be able to communicate and exchange ideas and views with other licensed design engineers. For those pursuing careers in industry, licensure has recently taken on increased meaning with heightened public attention concerning product safety, environmental issues, and design defects. Employers have found it advantageous to identify to the courts and the public those employees who have met at least a minimum level of competence. Engineers in the military must have the credentials to stay with the service in the face of downsizing or to make the transition to the private sector. More and more with each passing day, government agencies, educational institutions and private industries are requiring that they hire and contract only with licensed professional engineers. This is a trend that is almost certain to continue in the future.

Just as the CPA defines the accountant, and a law license defines the lawyer, the PE license tells the public that you have mastered the critical elements of your profession. It demonstrates your commitment to the highest standards of engineering practice. It's also proof of your ability to offer engineering services directly to the public - something only a licensed PE can do.

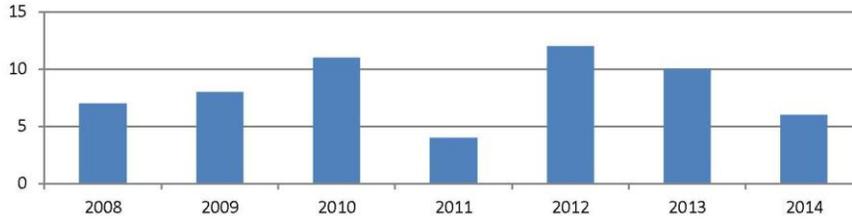
## **Indiana Society of Professional Engineers**

Since June 4, 1937, ISPE has actively promoted and defended the professional interests of all engineering professionals throughout the State of Indiana, including its more than 13,000 licensed professional engineers. This organization helps in protecting the public, supporting engineering ethical conduct and professionalism, along with service to the public.

[www.indspe.org](http://www.indspe.org)

**Engineers Licensing Enforcement  
2008 to 2014**

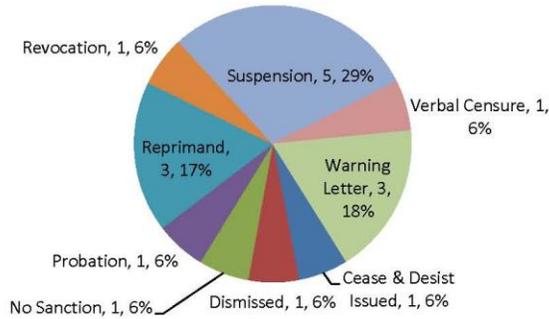
**Complaints Received**



**Results of Investigations**

Alleged Violation	No Violation	Insufficient Evidence	Settled	Warning Letter	Litigation File Opened	Totals
Nonsanctionable Action	1					1
Unlicensed Practice	2	3	3	13	3	24
Application or Renewal Fraud					2	2
Discipline in Other Jurisdiction				1	3	4
Fraud					1	1
Lewd or Immoral Conduct					1	1
Unprofessional Conduct	10				3	13
Professional Incompetence	2			2	2	6
<b>Totals</b>	<b>15</b>	<b>3</b>	<b>3</b>	<b>16</b>	<b>15</b>	<b>52</b>

**Disposition of Litigation**



**A Report on the Status of the Surveying Profession  
from  
the Indiana Society of Professional Land Surveyors  
to  
the Indiana Jobs Creation Committee**

January 15, 2015

**Introduction**

On behalf of the directors and members of the Indiana Society of Professional Land Surveyors (ISPLS), we thank you for this opportunity to share information on the importance of the surveying profession to the State of Indiana. Our hope is to convey that licensure of Professional Surveyors in Indiana is a necessity for ensuring the integrity of Hoosier landowners' property lines and for assuring that Indiana's investments in infrastructure - both public and private - are protected. Furthermore, we hope that this presentation will leave you with a clear understanding of the benefits to Hoosiers and the effectiveness of regulating and licensing Professional Surveyors.

**Executive Summary**

As explained in detail below, the ISPLS believes that the licensure of professional surveyors in Indiana is necessary for the continued growth and strength of Indiana's economy. The needs of public and private clients, lenders, and title companies, the demands of technology, the legal complexities of boundaries, and the demands of an intricate and interwoven national economy call for the assurance that licensure provides through its rigorous requirements for education, experience and examination.

The deregulation of the surveying profession in Indiana would result in negative consequences to the economy of the Hoosier State. The results of such an action would ignore the demands of the national market in regards to insurance (both title and professional liability), lending institutions and contractual requirements that are beyond the reach and control of the State of Indiana.

The deregulation of the surveying profession would not increase the number of surveying jobs in Indiana. It would in fact, *decrease* the number of surveying jobs in the state and open the Hoosier State to a virtual invasion by surveyors licensed in other states.

With a few minor modifications that are already being contemplated (and that are discussed below), the current structure of the Board and the Indiana Professional Licensing Agency supports the viability and integrity of the profession as it stands today.

**What is ISPLS?**

The Indiana Society of Professional Land Surveyors was established in 1954 – we are excited to be celebrating our 60th year. Our primary mission is to provide our membership with a professional identity, professional guidelines and direction, educational services and to promote the interests of the profession. The philosophy of ISPLS is to encourage all who are in the surveying profession to value professional ethics in thought and deed, to maintain competency in performance of duties, to insure trustworthiness, to provide quality in work, and to constantly protect the public interest.

The society currently has over 700 members, with more than 450 of those being Professional Surveyors that reside in Indiana and 75 Professional Surveyors that reside in other states.

The ISPLS leadership consists of 12 directors and a full time executive director. We maintain a full time office accessible to the public through the week and further, by maintaining an informative and user friendly web-site. The ISPLS Board of Directors meets ten times over the course of each year and continually includes participation by higher education institutions within Indiana.

The 12 directors consist of both private and public sector licensed professional surveyors collectively possessing experience and knowledge that parallels the cross section of Indiana’s citizens. ISPLS maintains and invests in being accessible and useful; we see our service to our profession and the public as fundamental to our mission.

**The History of the Surveying Profession in Indiana**

Professional Surveyors have been regulated and licensed in Indiana since the 1930’s. In the 1960’s, the highly specialized nature of boundary surveying as separate and distinct from engineering was acknowledged and surveying licensure was completely separated from the practice of engineering at that time.

Because of the highly sophisticated technology regularly utilized by surveyors today, the complex legal issues related to boundaries, and the necessary reliance by the public on an appropriately educated, trained profession, today’s Professional Surveyors are required to obtain at least an Associate’s Degree including extensive and specific college-level surveying, math and science courses.

They are also required to work under the direction of another Professional Surveyor for a minimum of 4 years. For the last leg of the triad, Professional Surveyors are thoroughly tested through 16 hours of rigorous national exams and a state-specific exam.

**Economic Impact of Licensure**

Numbers are difficult to assimilate for several reasons<sup>1</sup>, but ISPLS estimates that there are perhaps 2,000 persons directly employed as or by professional surveyors in the State of Indiana.

The average salary of a Professional Surveyor varies widely depending on a number of factors such as the size of firm they work for, the type of work they perform and where their businesses are located. Notwithstanding that, salaries likely range from perhaps an annual salary of \$50,000 for the practitioner with very small business or a junior Professional Surveyor, to perhaps \$100,000 for a very senior staff surveyor or survey manager in a large firm. The pay of survey technicians likewise varies for the same reasons, with annual incomes likely ranging from around \$25,000 for an entry-level office technician to over \$60,000 for a senior, experienced field technician.

Other than as explained in the paragraphs immediately following, licensure - or the lack thereof - does not have a direct impact on the amount of economic activity since the ‘drivers’ of economic activity that generate surveying work are not in the control of surveyors. Private developers, lenders, governmental entities and property owners are the initiators of activities that will require the services of professional surveyors; surveyors generally do not generate their own work, they are hired by others.

The small numbers of persons involved in surveying activities cited above are deceiving since every single public and private infrastructure project necessarily involves surveyors at the very beginning, often throughout the project, and typically at the end for as-built documentation purposes. In addition, conveyances of commercial property or property being purchased or financed for development nearly always involve a specialized type of boundary survey (the nationally-recognized ‘ALTA/ACSM Land Title Survey’) that lenders and title companies rely on to assess the risks involved in lending and insuring projects.

**Why Licensure is Needed**

Surveying licensure is important because it supports economic development in Indiana in many ways. Development, infrastructure and land conveyancing may be the most important economically because they are directly tied to a tremendous amount of related economic activity.

Contracts for surveying on infrastructure projects of any significant size require that the work be performed by licensed surveyors. Such contracts virtually always require that the survey provider carry professional liability insurance, which is generally not available unless the provider is a licensed surveyor. Similarly, lenders across the United States typically require that a Land Title Survey be performed as a condition of the mortgage on commercial or industrial property. Lenders universally require that such surveys be performed by licensed surveyors.

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<sup>1</sup> Reasons include: (1) some aspects of surveying may also be practiced by professional engineers, (2) many surveying firms also employ engineers, and (3) many engineering firms employ surveyors only in support of their engineering projects.

Taking the above facts into account means that very significant economic activity related to development, infrastructure and property would grind to a halt in fairly short order without surveying licensure to assure lending institutions, title companies and clients that the work is being done by qualified, competent persons. It is not an exaggeration to say that if money and title insurance are not available, these activities will simply cease. Because these activities almost always reach across state lines in one manner or other, certification is not a substitute for licensure for the sophisticated clients involved in these sorts of activities.

Aside from those obvious issues, the entire land tenure system in Indiana (and every other state, for that matter) hinges on the professional surveyor. It is widely recognized that private property ownership is a cornerstone of a democratic society. Providing for the integrity of those property boundaries is a necessity and the surveyor is the only person educated, experienced and qualified to provide for that veracity. This is the primary reason that surveyors are licensed in all 50 states and have been for many decades.

**The Impact of Surveying Licensure on Jobs**

Aside from the negative impact not only on surveyors, but on the entire Indiana economy explained above, it would be a mistake to not add one more comment on the necessity of licensure as related to jobs in Indiana.

Deregulating the profession would open the flood gates wide to surveyors from surrounding and distant states who would cross into the Hoosier State seeking opportunities created by ending licensure. And they will most certainly find them! Entities as widely varying as lending institutions, title insurance companies, developers and municipal, county, state and federal clients all have guidelines requiring that surveys be performed by licensed individuals. Many, if not most clients require professional liability insurance on their projects - which will be available only to out-of-state licensed surveyors.

Furthermore, out-of-state surveyors will be the only ones who will be able to secure contracts on federal highway projects, U.S. Corps of Engineers projects, utility projects that cross state lines and the many other projects that require a licensed professional. Ultimately, Hoosier surveyors will find themselves out of a job because without licensure, they will not be able to meet the requirements of most such clients.

In another twist, deregulating the profession will prevent Hoosier surveyors from obtaining licensure by comity in any other state. Many Indiana surveyors are licensed and perform work in adjoining states. In addition, young and up-coming Indiana surveyors will never be able to gain the required experience under a licensed professional to qualify for licensure in another state, so they will simply not remain in Indiana. At least three surveying programs at Indiana colleges and universities would cease to exist.

In short, the deregulation of the surveying profession would, ironically, not equal more jobs for Hoosiers; it would actually destroy jobs in Indiana.

**Property Boundaries in Indiana**

The United States Public Land Survey System (USPLSS) – originally proposed by Thomas Jefferson – was developed when the federal government acquired the Northwest Territory. With a few exceptions (e.g., around Vincennes and Clarksville), it is relied upon - either directly or indirectly – for virtually every property boundary and survey performed in Indiana.

The USPLSS Surveys in Indiana began in 1804 in the southern part of the state and continued until about 1855 when they were completed in the northern part of the state. The surveys of the USPLSS consisted of subdividing the land into one-mile squares, called sections, and setting wood posts at half-mile intervals.

Indiana’s Professional Surveyors are the stewards of the records, measurements and markers of those original government surveyors. They are charged with perpetuating the location of the lines and corners established by the USPLSS surveys. Without that stewardship, the entire system of land tenure would break down because boundaries will become ambiguous, questionable and in conflict. One could argue, we suppose, that the economic activity related to lawsuits generated by ambiguous boundaries is good, but ISPLS would suggest other economic activity is more desirable for our state.

Indiana’s Professional Surveyors are also the stewards of Hoosier’s property boundaries. Their duty and responsibility is to help ensure the American Dream of real property ownership by providing property boundary location services. No one other than Professional Surveyors who have demonstrated their qualifications by education, experience, examination and licensure are competent to locate property boundaries on the ground, and to map and certify those locations.

**The Surveying Profession – A Broader Perspective**

Indiana’s Professional Surveyors are involved in many, many other aspects of surveying, besides boundary surveying, that are crucial to building Indiana and putting Hoosier’s to work. They are too numerous to list in detail here, but some important ones include:

- Topographic Surveys for determining the shape and contour of the Earth’s surface (used in planning and engineering design)
- Route Surveys for mapping the routes of highways, railroads and utilities;
- The preparation of reports, maps and documents for describing and acquiring right-of-ways and easements;
- Flood Hazard Surveys/Elevation Certificates used to provide elevation information necessary to ensure compliance with community floodplain management ordinances and to help developers and homeowners avoid development in flood-prone areas;
- Commercial and Residential Subdivision Design;
- Construction Staking and Layout for highways, pipelines, transmission lines, industrial, commercial and residential construction, utility lines, etc.;
- Construction As-built Surveys for mapping, documenting and certifying the locations of new improvements; and
- 3D Terrestrial Laser Scanning & Mobile Mapping for gathering and mapping millions of precise data points in very short periods of time – accelerating project timelines and

preventing costly and dangerous shutdowns of, for example, highways or railroads by keeping survey personnel away from busy intersections and outside dangerous areas to the greatest extent possible.

Regulation and licensing relieves the public and those who hire surveyors from otherwise trying to assess the qualifications of persons who would perform this highly specialized type of work. Because of the nature of surveying, even a major error may not reveal itself for years, so state licensing provides an important function.

**Recommendations for Legislation or Administrative Rules**

In a recent and positive development, during the 2013 legislative session, the definition of the Practice of Surveying was amended to bring it up-to-date with present-day practice and technology. The new law was based on the nationally-recognized NCEES (National Council of Examiners for Engineers and Surveyors) Model Law for Surveying. It was supported by a wide cross-section of professions that deal with surveyors on a regular basis and recognize the complexities of the profession.

As far as suggestions for the future, for the 2015 Legislative Session, ISPLS is seeking amendments to the Indiana Code concerning the Indiana Dig Law and how it unnecessarily and negatively impacts surveyors. Additionally, ISPLS is seeking the inclusion of professional surveyors in the statute of repose law - which by all accounts inadvertently excluded them when it was originally written.

The Board of Registration for Professional Surveyors has been very proactive in suggesting amendments to the Indiana Administrative Code. A current suggestion includes streamlining the language concerning the college-level surveying courses required for licensure. This suggestion would bring the language up-to-date with today's practices and course offerings, assist applicants in determining whether or not they are eligible, and give the Board better guidance and direction during the application review. Ultimately, it will also result in applicants getting licensed more quickly.

**Current Board Make-up and Structure; Current IPLA Structure**

The ISPLS believes that the current structure of the Board of Registration for Professional Surveyors is very effective in regulating the profession and we support the continuance of this structure. The number of board members is appropriate and necessary given the complaint process and the limited number of meetings currently allowed (3 or 4 per year).

One observation is that complaints against persons who may be doing substandard work and damaging property owners' rights on a regular basis can seemingly languish for months and even years due to the fact that the board can meet only quarterly. Respondents, who are keen to the system, can request well-timed continuances that result in them continuing to practice for a fairly lengthy period of time. Given scheduling conflicts, a continuance can easily result in a 6 month delay in a hearing. This is a concern.

## **APPENDIX IV – JCC Handouts – State Board of Registration for Professional Surveyors**

As far as other possibilities related to board structure, an obvious suggestion – recombining the surveying and engineering boards - would ignore the very reasons that those boards were separated in 1991. That separation was supported by both the surveying and the engineering communities and was necessitated by the earlier cited fact that the primary reason for licensing surveyors - boundaries – is totally separate from, and has nothing in common with, engineering practice.

A similar suggestion to combine the boards several years ago was opposed by both groups for the same reason.

If there are financial concerns related to a separate surveying board, ISPLS would remind the JCC that this issue was raised in 1991 and the surveying profession stood up and told the legislature that it was willing to have its fees increased to support any increased costs. This was done – renewal fees were increased (with virtually no negative response from surveyors). As an aside, the fees were inexplicably lowered a few years later. ISPLS would be in support of increasing licensing and renewal fees if deemed appropriate.

Considering the extremely limited staff, the Indiana Professional Licensing Agency does an acceptable job. It seems hard to comprehend, however, how - for example - the Director of the surveyor's board can also effectively be the director of 5 or 6 other boards. ISPLS would like to see a timelier uploading of information to the Board's website and more communication from the State to its licensees; and ISPLS is more than willing to assist if it can.

### **Fees**

The current licensing and renewal fee structure is more than fair and, as noted above, ISPLS would support increased fees if they were required in order to receive more services or in support of the separate surveying board.

### **Licensure Renewal and Continuing Education Requirements**

As noted above, ISPLS supports the Board's desire to modify the current education requirements to make them more congruent with educational offerings in the state and the needs of the profession.

Otherwise, ISPLS believes that the amount of education required for licensure is commensurate with the contemporary demands of the profession.

Regarding continuing education, ISPLS believes that the level of surveying practice in Indiana has improved with the requirement of mandatory continuing education. We hear few, if any, complaints about the number of continuing education hours required; they seem to be appropriate to the profession.

**Renewal Cycle**

The two year renewal cycle seems appropriate and, when tied with continuing education, is well-suited to assuring the continuing competency of licensees. A longer period would be contrary to the idea of continuous improvement and competency by allowing licensees to go an extended period of time with no on-going training or education.

**Summary**

The Indiana Society of Professional Land Surveyors believes that legislation that would terminate the Board of Registration for Professional Surveyors and the regulation of the Surveying Profession in Indiana would be exceptionally negative for the State of Indiana and for jobs in Indiana.

As outlined above in this report, there are a number of reasons for this belief, but they include:

1. The protection of Hoosier property owners and their property rights.
2. The demands of a national economy relating to lending institutions, title companies, professional liability insurance and client needs.
3. The loss of Hoosier jobs to companies outside the state and an invasion of surveyors from other states into Indiana.
4. Hoosiers leaving the state in search of employment where they can otherwise use or obtain a professional license.

We appreciate this opportunity to provide input and, hopefully, clarity on the issue of professional surveyor licensure. Thank you.

Respectfully,

The Indiana Society of Professional Land Surveyors

By

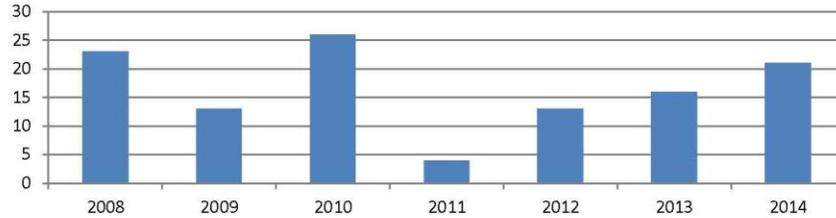


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**Land Surveyors Licensing Enforcement  
2008 to 2014**

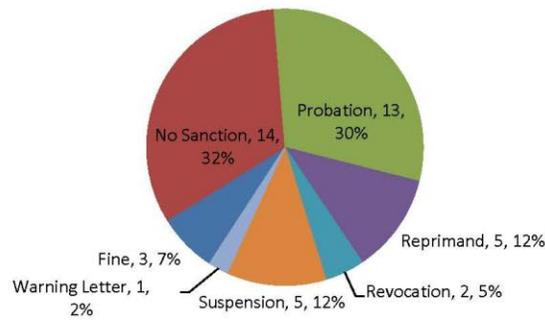
**Complaints Received**



**Results of Investigations**

Allegation	No Violation	Insufficient Evidence	Settled	Warning Letter	Litigation File Opened	Totals
Nonsanctionable Action	7					7
Unlicensed Practice	4	1		3	2	10
Application or Renewal Fraud					2	2
Discipline in Other Jurisdiction				1	1	2
Failure To Supervise	1					1
Fraud	1	1				2
Unprofessional Conduct	13	4	3	3	4	27
Professional Incompetence	26	1	1	4	8	40
<b>Totals</b>	<b>52</b>	<b>7</b>	<b>4</b>	<b>11</b>	<b>17</b>	<b>91</b>

**Disposition of Litigation**





## Indiana Manufactured Housing Association Recreation Vehicle Indiana Council, Inc.

### **Job Creation Committee Review of the Indiana Manufactured Home Installer Licensing Board: Report from the Indiana Manufactured Housing Association, February 19, 2015**

Thank you for the opportunity to report on the Indiana Manufactured Home Installer Licensing Board. IMHA was asked to address Indiana Code 25-1-16-8, numbers 4, 5 and 6. Please see our response below:

#### **4. An assessment of the effect of the regulated occupation on the state's economy, including consumers and businesses.**

As you are aware by now, federal law required manufactured home installers to be licensed. Federal law also mandates minimum standards in training, licensing, installing and inspecting these homes. What you may not be aware of is that this federal law was established at the request of the industry. Manufactured homes are engineered and constructed to rigorous standards with a multi-stage inspection and approval process. However, the benefits of the indoor, highly regimented system building process can be destroyed by a poor installation. Improper installation can create a variety of problems ranging from cracked drywall and improper fitting of doors and windows to serious safety issues with broken utility connections.

As a product that is largely focused on the affordable housing market we are keenly aware of any increased costs that will eventually be passed on to the consumer. There are obvious costs involved in the installer licensing process, including bonding, education and applications. There could also be an opportunity cost to an installer who has to attend continuing education class, although the current requirement of 10 CE hours in four years makes that negligible.

Home manufacturers have long claimed that the number one reason for warranty claims by new homeowners is due to improper installation of the home. All home manufacturers build expenses into the cost of the home to cover the anticipated warranty service. Historically, these expenses were as high as 4-5% of the home costs. Now they are down around 1-2% of the cost of the home.

According to the US Census Bureau, in 2013 the average sale price of a new manufactured home in Indiana was \$50,100. For each 1% a manufacturer saves in warranty costs up to \$510 can be kept as profit or passed on as savings to the consumer. If costs were lowered by 3% the warranty expense of each home would drop \$1,530. Considering that 823 new manufactured homes were sold (and presumably installed) in Indiana last year the economic impact would be around \$1.26 million for calendar year 2014. Over the 4 year period of all installer licenses the economic impact could be around \$5 million.

These figures relate only to trackable expenses as there is no way to quantify how much a money a homeowner invests to correct issues with their home after the warranty period expires or as of a result of poor secondary installations.

## **APPENDIX IV – JCC Handouts – Manufactured Home Installer Licensing Board**

### **5. Any recommendations for legislation, including whether:**

#### **A. the regulation of a regulated occupation should be modified**

First and foremost, we believe the Indiana should continue to operate its own manufactured housing installer licensing program and not default to the control of the US Department of Housing and Urban Development (HUD). We believe federal control of Indiana's program would be both more time consuming and more expensive for Indiana's businesses and manufactured housing consumers.

Federal regulations required each state to have an installer licensing program in place by 2005 or become a "default" state where HUD would set the program. While there are currently 12 states who have not implemented their own manufactured home installer licensing program HUD has yet to take action in those states. Indications are that HUD expects to begin a pilot program in two states later this year and will begin implementing a program nationally in 2017 or 2018. Further, in September of 2014 HUD implemented a label fee increase on manufactured home builders of more than 150%.

While details of the default HUD program are still being finalized these simple examples highlight our serious concerns about the federal government's ability to implement a program that is timely, cost-effective and relevant to industry and consumer needs in Indiana.

Secondly, I believe the current system could be modified in order to provide a better experience for consumers and improve installation quality. Although installers are required to be licensed compliance is complaint driven without any checks in the system. There is no central record of how many homes are installed or who is responsible for the installations. Simply compiling this information would give the licensing board more resources in order to more effectively administer the licensing program. In 2013, Senate Bill 447 attempted to give the board these resources while minimizing any time commitment or financial burden by utilizing data already held at the state level. Similar legislation could serve the same purpose or an interagency memorandum of understanding could be developed in order to share data between the BMV and the PLA.

#### **B. the board should be combined with another board**

As manufactured housing falls in a unique niche that is at times regulated by federal, state, and local authorities it is unlikely that another board has the same combination of concerns. We believe it is unlikely that combining this group with another would create a more efficient system.

#### **C. whether the board or the regulation of the regulated occupation should be terminated**

As discussed above, manufactured housing installers are required to be licensed under federal law. In Indiana the Manufactured Housing Installer Licensing Board also oversees the state requirement that all manufactured homes in land-lease communities be installed with a functioning weather alert radio.

Indiana ranks fourth in the country in manufactured home production - Hoosier workers built more than 5,000 of them last year. The industry is an important employer in northern Indiana and the industry fills a critical affordable housing niche in a state where the median family income is less than \$48,000. We

## **APPENDIX IV – JCC Handouts – Manufactured Home Installer Licensing Board**

believe terminating Indiana's board would have a significant detrimental impact to both the industry and the families it serves.

### **D. whether a license should be eliminated**

As discussed above the license is required by federal law.

### **E. whether multiple licenses should be consolidated into one license**

Our association serves the manufactured housing industry and we aren't experts in all the licenses issued by the PLA. However, due to the unique nature of the industry and the product the manufactured housing installer's license does not seem to be a good candidate for consolidation with other licenses.

### **6. Any recommendations for administrative changes.**

In our opinion, the most significant improvement that can be made is to compile information on the manufactured home installations that are taking place around the state. Some of this may be available from the BMV and some may have to come from the installers themselves. Once this information is obtained the board can take any necessary actions as dictated by the data.

Additionally, online education should be pursued as a means to train licensees in a more timely, and perhaps less expensive fashion. As the main continuing education provider for this license, IMHA will be pursuing this avenue with the board in the near future.

### **Attachments:**

- Average Sales Price of New Manufactured Homes Placed, 2013 – US Census Bureau
- Manufactured Home Shipments – MHI's Monthly Economic Report, December 2014
- Senate Bill 447 (2013 session)
- Senate Bill 447 Fiscal Impact Statement (2013 session)
- Production of Manufactured Homes by State, December 2014 - MHI's Monthly Economic Report, December 2014

APPENDIX IV – *JCC Handouts – Manufactured Home Installer Licensing Board*

AVERAGE SALES PRICE OF NEW MANUFACTURED HOMES PLACED:  
BY SIZE OF HOME BY STATE - 2013

REGION, DIVISION, AND STATE	Average Sales Prices (Dollars)		
	Total <sup>1</sup>	Single	Double
<b>United States</b>	64,000	42,200	78,600
<b>Northeast</b>	66,500	44,300	79,600
New England	71,200	46,600	95,900
Connecticut	44,900	S	S
Maine	60,400	44,400	79,300
Massachusetts	111,600	60,400	174,000
New Hampshire	82,800	S	99,100
Rhode Island	S	S	S
Vermont	59,800	46,400	80,100
Middle Atlantic	65,100	43,300	76,000
New Jersey	83,700	58,800	95,000
New York	60,800	42,000	72,500
Pennsylvania	68,000	43,400	77,500
<b>Midwest</b>	62,900	43,300	80,000
East North Central	54,900	40,700	71,700
Illinois	55,000	38,300	77,700
Indiana	50,100	42,100	66,600
Michigan	51,800	40,800	64,500
Ohio	56,700	40,200	69,800
Wisconsin	63,500	46,000	78,000
West North Central	70,700	46,700	86,100
Iowa	60,400	43,300	78,600
Kansas	65,400	42,200	80,700
Minnesota	77,300	46,800	87,900
Missouri	61,200	42,400	73,200
Nebraska	63,000	48,900	74,200
North Dakota	85,200	51,700	106,800
South Dakota	73,000	51,200	86,800
<b>South</b>	61,200	41,700	76,500
South Atlantic	63,100	40,000	76,100
Delaware	65,900	S	106,100
District of Columbia	X	X	X
Florida	68,000	37,700	74,100
Georgia	59,900	32,700	72,500
Maryland	70,800	S	79,300
North Carolina	56,600	37,400	77,600
South Carolina	61,300	43,200	77,000
Virginia	62,900	45,800	77,600
West Virginia	68,800	44,600	77,400

APPENDIX IV – JCC Handouts – Manufactured Home Installer Licensing Board

AVERAGE SALES PRICE OF NEW MANUFACTURED HOMES PLACED:  
BY SIZE OF HOME BY STATE - 2013

REGION, DIVISION, AND STATE	Average Sales Prices (Dollars)		
	Total <sup>1</sup>	Single	Double
East South Central	60,200	41,500	74,400
Alabama	62,900	42,100	75,300
Kentucky	60,500	42,600	77,500
Mississippi	57,600	40,900	75,700
Tennessee	59,400	39,700	68,700
West South Central	60,400	42,500	77,900
Arkansas	58,400	39,500	72,700
Louisiana	59,000	43,400	81,200
Oklahoma	65,200	45,100	82,900
Texas	60,200	42,000	76,800
West	79,100	44,600	86,600
Mountain	70,300	45,500	82,400
Arizona	70,200	40,500	79,300
Colorado	62,800	48,100	81,800
Idaho	87,000	S	87,800
Montana	72,000	49,900	89,800
Nevada	70,600	41,000	77,100
New Mexico	67,200	44,700	78,900
Utah	80,500	S	93,300
Wyoming	77,900	48,500	105,700
Pacific	88,700	41,500	89,800
Alaska	54,200	45,300	S
California	95,800	43,400	98,000
Hawaii	S	S	S
Oregon	72,000	S	71,800
Washington	82,300	37,800	78,900

1 Includes manufactured homes with more than two sections.

S Suppressed to avoid disclosing data for individual dealers; data are included in higher level estimates.

X Not Applicable

Source: These data are produced by the U.S. Commerce Department's Census Bureau from a survey sponsored by the U.S. Department of Housing and Urban Development.