

BOARDS THAT WORK

A GUIDE TO RESPONSIBLE LICENSING BOARD REFORM

Any consideration of licensing boards and licensing reforms should be grounded against the fundamental reason boards exist: **they protect the public.**

Licensing boards for our professions - engineers, surveyors, architects, landscape architects, and CPAs - oversee more than three million professionals whose work directly impacts public health, safety, and welfare. These volunteer boards have statutory authority to set and enforce essential standards, including education, experience, and examination requirements. These boards ensure continuing education compliance, enforce codes of ethics, and handle disciplinary actions, addressing more than 1,000 enforcement cases in 2023 alone to protect the public.

Licensing boards are composed of a mix of public representatives and experienced professionals who bring deep subject matter expertise and serve in the public interest, typically receiving only modest stipends for their service.

A LOOK AT BOARD REFORMS

Several state legislatures are evaluating potential changes to licensing boards. While the specific proposals vary by jurisdiction, board reforms typically take three forms:

- 1 Consolidation**
Proposals that seek to combine multiple profession-specific licensing boards into a single board overseeing multiple professions. For example, **Idaho's SB1232** consolidated the Board of Architectural Examiners and landscape architect oversight into a single "Board of Architects and Landscape Architects," which successfully integrated both professions under one regulatory body while maintaining distinct professional standards.
- 2 Composition**
Changes that aim to modify existing boards by reducing the number of subject matter experts in favor of citizens without professional expertise. For example, **Montana's HB87** initially proposed removing specialized positions and standardizing public representation, essentially replacing experts with public members. Through early engagement with boards and professional groups, the final legislation preserved essential professional expertise while incorporating meaningful public oversight. This demonstrates the value of stakeholder input in board reform.
- 3 Functional Reorganization**
Efforts to shift administrative functions from specialized licensing boards to central administrative agencies. For example, **Alabama's SB224** created a central Office of Occupational and Professional Licensing to oversee and consolidate functions from 37 previously independent licensing boards. While boards retain authority over licensing decisions and discipline, administrative functions like processing applications and collecting fees are centralized to improve efficiency and reduce costs.

Any of these approaches must be undertaken thoughtfully to preserve board effectiveness and public protection. While the examples cited above represent different models for reform, they share important characteristics that made them successful. Drawing from these examples, we've identified four key principles to guide lawmakers in considering board policy changes:

FOUR PRINCIPLES FOR SUCCESSFUL BOARD REFORM



PRINCIPLE 1: Prioritize Subject Matter Expertise

Professional licensing boards require deep subject matter expertise to effectively oversee technical professions and make informed judgments that protect the public. These dedicated professionals volunteer their expertise and countless hours to serve the public interest through their board service. Professional members of the board must hold an active license, have years of practice experience, and secure recommendations from state professional societies. Boards also include public members who represent consumer interests and provide valuable oversight, a structure that has long proven effective.

While many boards include both professionals and public members, **board expertise must never be diluted through board composition bills that reduce the number of professionals serving on boards to a minority of board seats.** While public members have a valuable role in representing consumer interests on boards, it is unreasonable to expect a layperson to have the expertise needed to make highly technical assessments.

WHAT DOES THIS MEANS IN PRACTICE?

For public safety, licensing boards must maintain a majority of licensed professionals from that field, while including public members who provide consumer perspective and oversight. This balanced approach ensures both technical expertise and public accountability. Specifically:

- ▶ At least 50% + 1 of board members must be expert practitioners
- ▶ Boards must never be able to reach quorum without subject matter experts present

Consider the complex technical decisions boards routinely face: An accountancy board evaluating whether an auditor properly applied accounting standards in a pension fund review, or an architecture board assessing if a building design meets safety requirements for seismic zones. These judgments require extensive professional knowledge that only qualified experts in the field can properly evaluate.

Something else to consider: Boards should represent diverse professional perspectives. An accountancy board should include experts across disciplines like tax, audit, and business advisory. Similarly, engineering boards benefit from representation across specialties like civil, structural, and mechanical engineering. Reducing the number of professional seats makes it challenging to maintain a breadth of professional expertise.

CASE STUDY: HOW GENERIC OVERSIGHT BOARDS CAN COMPROMISE PUBLIC SAFETY

In February 2020, legislators in a mid-Atlantic state introduced a bill creating an “Unlicensed Practice Review Board.” The bill required that complaints about professional conduct be reviewed by a six-member board drawn from different licensing fields before any action could be taken - meaning a technical complaint about an engineer would be evaluated primarily by non-engineers from unrelated fields.

The safety risk was clear: non-engineer board members would likely misunderstand technical details and overlook safety implications that are necessary to competently evaluate professional complaints. Additionally, the structure made the six-member review board an inefficient “middleman” - to compensate for their lack of expertise, they would need to contract external engineering experts, further delaying case resolutions and increasing backlogs.

While the bill was not enacted, it demonstrates the importance of maintaining subject matter expertise in professional oversight. Creating a generalist board to oversee specialized professional conduct would have effectively removed critical expertise from the evaluation process and endangered public safety.



PRINCIPLE 2: Preserve Board Decision-Making Authority

When examining professional licensing systems, policymakers sometimes propose moving administrative functions from individual boards to a central state agency. The goal is to improve regulatory efficiency and cost savings through centralization. However, in considering this approach, it is important to distinguish between routine administrative functions and roles that require substantive decision-making.

The administrative “bucket” contains routine functions that can sometimes be effectively managed by a central agency or staff. These may include:

- ▶ Determining whether consumer complaints warrant board investigation
- ▶ Administering board-approved examinations
- ▶ Processing and tracking application status and renewals
- ▶ Monitoring continuing education compliance
- ▶ Managing fee collection, records, and databases

WHY CAN THESE FUNCTIONS BE DELEGATED?

These particular functions can be delegated to a central agency because they focus on process execution that does not require expertise in the specific profession and does not involve regulatory judgment.

While certain administrative functions **can** be delegated to a central agency, this delegation must be carefully structured to preserve board decision-making authority.

That brings us to the second “bucket” of regulatory functions – matters that require professional expertise and therefore must remain under the board’s authority. These may include:

- ▶ Setting professional standards and qualifications
- ▶ Evaluating applications and making final licensing determinations
- ▶ Establishing and approving exam content and criteria
- ▶ Determining continuing education requirements
- ▶ Evaluating technical compliance with professional standards
- ▶ Expediting review of special licensing cases (e.g., military spouses)
- ▶ Investigating complaints and making final disciplinary decisions

To fulfill their public protection mandate, **boards must retain final decision-making authority over these matters**, all of which are critical to upholding professional standards and public safety.

Take accountancy, for example: CPAs have both a unique accountability to third parties and a fiduciary duty to act in their clients’ best interests. Businesses, individuals, and governments at all levels rely on audited financial information for investing, lending, and planning decisions - all of which must comply with complex federal, state and local laws. Only board members with deep technical knowledge of accounting standards and regulations can properly evaluate enforcement cases and uphold these rigorous professional standards. If an accountancy board lacks the technical expertise and resources to investigate complex complaints effectively, the resulting economic harm to citizens and businesses can damage public trust.

Similarly, architectural, landscape architectural, and engineering boards require deep technical expertise. Engineering board members must understand complex structural principles, material stress analysis, and systems design. Architectural board members need expertise in building science, spatial design integration, and construction methodologies. Landscape architectural expertise demands knowledge of site hydrology, sustainable ecosystem design, and environmental preservation standards. **These specialized knowledge areas are critical for each board to evaluate professional conduct and establish appropriate licensing standards.**

WHO SHOULD MAKE THE TECHNICAL DECISIONS?

Technical decisions demand professional expertise - that’s why proposals that weaken boards’ independent oversight authority ultimately threaten public protection. While administrative consolidation can in some cases help boards manage their responsibilities, it should never come at the cost of letting non-experts make critical technical judgments that require deep professional knowledge.

Importantly, preserving board decision-making authority is not the only consideration when moving administrative functions from individual boards to a central state agency. Another critical factor is the fundamental premise of these proposals: licensing efficiency. **While efficiency gains are often assumed in these policy proposals, the reality can be quite different.** When administrative functions are centralized, the result can actually be a slower, more cumbersome system. **Rather than streamlining the process, centralization often adds bureaucratic layers that delay decisions and reduce responsiveness.**

CASE STUDY: WHEN CENTRALIZATION LEADS TO BUREAUCRATIC SINK HOLES

A southern state's decision to centralize administrative support for licensing boards illustrates how consolidation can create more problems than it solves. The centralized system, implemented through a new online application licensing system, led to severe delays for professionals. "We have received numerous complaints from businesses regarding substantial inefficiencies in renewing and obtaining the licenses and certifications necessary for their operation," stated the State's Speaker of the House.

The problems became personal for many professionals. One nail technician was locked out of her online portal for several weeks: "It took a lot of calling and patience and persistence." State leadership investigated and described the services as "dismissive at best" and "failing to respond."

In response, the state has invested over \$2 million to hire additional staff, and Fiscal Year 2025 will mark the first time the division receives an operating budget exceeding \$10 million. The Secretary of State acknowledged the problems, committing to working with legislative partners to enact changes. This case serves as a cautionary tale about how centralizing administrative functions without proper infrastructure and support can create bureaucratic bottlenecks that harm both professionals and public at-large.



PRINCIPLE 3: Keep Similar Professions Together When Consolidating Boards

Some state legislators propose consolidating separate licensing boards. Their goal is to reduce redundant operations and streamline services for license holders. **But when considering consolidation, proposals *must* only combine *similar professions* that share common educational foundations.**

For example, architecture and landscape architecture boards can sometimes be merged given their shared focus on built environment design principles and safety. Engineering and surveying boards often work effectively together given their overlapping foundations in math and physical sciences. Finance and public accounting boards may also be combined due to their shared expertise in financial systems and reporting.

WHAT ARE THE RISKS OF COMBINING DISSIMILAR BOARDS?

Combining boards that lack common technical foundations compromises public protection by asking board members to make judgments outside their realm of expertise. This defeats the fundamental purpose of licensing boards and undermines their ability to maintain high standards of professional competence.

However, even when combining boards with similar technical foundations, proportional representation is crucial. While board composition should reflect the relative size and activity level of each profession within the jurisdiction, care must be taken to ensure adequate technical expertise for smaller professions. For example, consolidated architecture and landscape architecture boards sometimes allocate just one landscape architect seat. This puts a lot of responsibility on just one person to effectively oversee all aspects of a complex profession.

CASE STUDY: HOW IDAHO GOT BOARD CONSOLIDATION RIGHT

Idaho's 2022 consolidation of architect and landscape architect oversight demonstrates how thoughtful board restructuring can enhance regulatory efficiency while maintaining professional standards. Senate Bill 1232, which took effect July 1, 2022, merged oversight into a single "Board of Architects and Landscape Architects" with careful attention to balanced representation.

The seven-member board maintains a majority of subject matter experts (four architects, two landscape architects) while preserving consumer protection through a public member. Despite representing a smaller constituency, landscape architects were allocated two board seats to ensure the responsibilities don't fall on a single individual. And importantly, the board's quorum requirements ensure all represented professions must participate in decision-making.

The restructuring has proven successful in streamlining administrative processes while preserving distinct professional standards for both architects and landscape architects. The bill's implementation highlights key elements of effective consolidation: maintaining a majority of subject matter experts, proportional representation while ensuring adequate seats for smaller professions, and shared administrative efficiency.



PRINCIPLE 4: Maintain Manageable Workload Volume in Consolidated Boards

Successful board composition depends on realistic workload expectations. **Even when boards share technical foundations and maintain proportional representation, the combined workload volume must be carefully evaluated to ensure operational effectiveness.**

Merging boards without expanding resources can create bottlenecks and grind operations to a halt. Consider a fast-food restaurant analogy: combining two busy locations into one without adding staff leads to a long line of cars in the drive-through – just as license applications pile up for consolidated boards. While consolidation may *theoretically* improve efficiency through shared resources, in practice, it can actually **decrease** efficiency.

CASE STUDY: WHEN BOARD CONSOLIDATION LEADS TO GRIDLOCK

A midwest state's decision to consolidate multiple licensing boards without proper workload planning led to severe operational challenges. The consolidated board was not sufficiently resourced and its processing times for licensure applications grew to 90 days with a backlog exceeding 2,000 applications. By comparison, other states that had consolidated boards and implemented proper staffing and workload planning maintained efficient 7-day turnaround times. This stark contrast demonstrates how board consolidation without adequate resource planning can severely compromise operational efficiency.

Put simply, licensing boards cannot maintain efficiency if workload doubles while staff and resources remain static or decrease. In considering licensing policy changes, policymakers should work closely with affected boards to ensure proposals reflect operational realities and resource needs.

THE BOTTOM LINE

Licensed professionals shape the safety and stability of our communities. Their work affects everyone who enters a building, drives across a bridge, or relies on audited financial statements. **That's why licensing boards are so important:** they ensure these professionals meet rigorous standards to serve the public well.

When evaluating proposals that would change how licensing boards function, carefully consider:

- 1 Will the board maintain a majority of licensed professionals with subject matter expertise?
- 2 Does the proposal preserve boards' authority over matters requiring expert judgement?
- 3 If combining boards, do the professions share common technical foundations?
- 4 Is board representation proportional to each profession's licensee base?
- 5 Are staffing and resources adequate to handle expected workload volume?
- 6 **Have boards that would be impacted by the policy proposal been consulted?**

ARPL and the many state boards we support welcome the opportunity to share our experiences and perspective with lawmakers considering changes to licensing board policy. We're here to help ensure any reform efforts enhance - not diminish - boards' ability to protect public health, safety, and welfare.

LEARN MORE

For more information on ARPL, please visit responsiblelicensing.org or email info@responsiblelicensing.org for questions.