HEARING DATE:  July 10, 2014

SUBJECT MATTER OF PROPOSED REGUALTIONS: Initial Examination and Challenge Examination fee increase

SECTION(S) AFFECTED:  California Code of Regulations, Title 16, Division 19, Section 1948.

INTRODUCTION:

The Structural Pest Control Board (Board) has a history of its licensure examinations being compromised. The most recent incident occurred in January 2013 and resulted in arrests. This latest event required the Board to suspend licensure examinations until such time as new examinations could be created. The cost to the Board for the creation of one new examination to replace the compromised examination was $41,532.

In March 2014, the Board implemented Computer Based Testing. Unlike paper examinations, computer based examinations can randomize questions. This practice substantially reduces the risk that the Board’s examinations will be compromised.

Additionally, the pest control industry has been desirous of a move to Computer Based Testing. The manner in which examinations were previously conducted allowed for only two (2) examination locations in California. Applicants, employers or prospective employers incurred the costs associated with travel.

Computer Based Testing allows the Board to offer 17 testing locations throughout California and 22 additional testing locations throughout the United States, thus reducing costs to applicants and businesses.

Currently, the Board is absorbing the additional costs associated with Computer Based Testing. The Board seeks regulatory authority to increase examination fee amounts by $40 per examination to cover the increased cost of Computer Based Testing.
The pest control industry supports the proposed regulatory change as evidenced by the sponsorship of Assembly Bill 1685 (Williams, 2014) by the Pest Control Operators of California, which is the largest pest control association in California.

**SPECIFIC PURPOSE:**

The Board proposes to amend Section 1948 of Division 19, Title 16 California Code of Regulations, to increase initial examination and challenge examination fees for Operators, Field Representatives, and Applicators by $40 each.

More specifically, the following fees are increased as follows:

<table>
<thead>
<tr>
<th>Examination Type</th>
<th>Current Fee</th>
<th>Proposed Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator's Examination</td>
<td>$25</td>
<td>$65</td>
</tr>
<tr>
<td>Field Representative’s Examination</td>
<td>$10</td>
<td>$50</td>
</tr>
<tr>
<td>Applicator's Examination</td>
<td>$15</td>
<td>$55</td>
</tr>
<tr>
<td>Operator's Continuing Education Examination</td>
<td>$25</td>
<td>$65</td>
</tr>
<tr>
<td>Field Representative’s Continuing Education Examination</td>
<td>$10</td>
<td>$50</td>
</tr>
</tbody>
</table>

**Problem Being Addressed:**

This proposed regulatory change addresses the issue of the Board’s licensure and challenge examinations being compromised. Additionally, it addresses issues of cost and convenience to pest control businesses and examination applicants.
Anticipated Benefits From This Regulatory Action:

As a result of this regulatory change, the Board anticipates the ability to administer rigorous, uncompromised examinations which ensures an appropriate standard of competency for licensees. Additionally, as a result of this regulatory change, the Board anticipates benefits to pest control businesses and examination applicants in the mitigation of costs associated with travel to examination locations.

FACTUAL BASIS/RATIONALE

Pursuant to Business and Professions Code section 8525, the Board has the authority to amend reasonably necessary rules and regulations relating to the practice of pest control and its various branches.

The Board seeks to make these regulatory changes subject to pending legislative authority to amend Business and Professions Code sections 8564.5, 8593(c) and 8674 as provided by Assembly Bill 1685 (Williams, 2014).

AB 1685 increases the examination fee limit the Board can charge an applicant to take an examination. AB 1685 will allow the Board to increase the examination by $40 per examination. The fees need to be increased by $40 to pay for the increased costs associated with Computer Based Testing.

The implementation of Computer Based Testing has caused the Board to incur costs which are untenable in the long term. In order for the Board to continue Computer Based Testing, it is necessary for the Board to amend Section 1948, Division 19, Title 16 of the California Code of Regulations to increase initial examination and challenge examination fees by $40 for each of the following license types, Operators, Field Representatives, and Applicators.
UNDERLYING DATA:

1. Assembly Bill 1685 (Williams, 2014) from 2013-2014 legislative session as amended in Assembly April 2, 2014
2. The California Department of Consumer Affairs, Office of Public Affairs, March 6, 2014 Exam Subversion News Release
5. Office of Professional Examination Services, Service Contract, November 1, 2013-June 30, 2014

BUSINESS IMPACT

The Board has determined that the following type of businesses may be impacted by the proposed regulation.

- Businesses that pay for their employees or prospective employees to take an examination administered by the Board.

Businesses that pay for their employees or prospective employees to take a licensure examination administered by the Board will incur the additional costs associated with the proposed regulation. However, most or all of the additional costs to businesses will be mitigated by the benefits offered through Computer Based Testing. This is because Computer Based Testing offers more locations with more times to test. This will relieve costs to businesses for travel, expenses, and overnight accommodations for applicants. Without Computer Based Testing, the Board is able to offer only two (2) locations in California once a month.

In Fiscal Year 2012-2013, the Board administered 560 Operator Examinations, 3548 Field Representative examinations, and 2598 Applicator examinations.

The proposed regulation would increase examination fees by $40 per examination. The Board estimates that it will administer approximately 6,600 examinations per year.
The Board has not identified any feasible alternatives to the proposed regulatory action that would achieve the purpose of the regulation that would lessen any adverse economic impact on businesses. The Board invites any suggested alternatives.

**ECONOMIC IMPACT ASSESSMENT**

This regulatory proposal will have the following effects:

- It will not create or eliminate jobs within the State of California because the examination fee increases which are being proposed do not serve as a deterrent to applicants from taking examinations, nor do they deter businesses from paying the additional costs for examinations for current or prospective employees.

- It will not eliminate existing businesses because the examination fee increases which are being proposed are applied to individuals. Businesses that pay for their employees or prospective employees to take examinations do so by choice.

- It is likely to create new businesses as licensure and challenge examinations are precursors to starting a new business and the convenience offered by Computer Based Testing encourages new licensure applicants.

- It will not affect the expansion of businesses currently doing business within the State of California because the examination fee increases which are being proposed are not related to the expansion of businesses.

- This regulatory proposal benefits the health and welfare of California residents by ensuring that licensure applicants pass a rigorous, uncompromised examination which ensures that licensure applicants meet an acceptable standard of competency before being licensed and prior to offering services to members of the public.

- This regulatory proposal’s benefits increase worker safety by ensuring that licensure applicants pass a rigorous, uncompromised examination and meet an acceptable worker safety standard of competency.

- This regulatory proposal’s benefits do not affect the state’s environment because the examination fee increases which are being proposed are not relevant to the state’s environment.
SPECIFIC TECHNOLOGIES OR EQUIPMENT

This regulation does not mandate the use of specific technologies or equipment.

CONSIDERATION OF ALTERNATIVES

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons or businesses or equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

Set forth below are the alternatives which were considered and the reasons each alternative was rejected:

Alternative No. 1: The Board continues to absorb the cost of Computer Based Testing

Rejected: The increased cost associated with Computer Based Testing is more than the Board is able sustain on a long term basis.