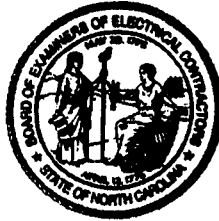


EXECUTIVE OFFICES
3101 Industrial Drive, Suite 206

Telephone: 919/733-9042
Fax: 800-691-8399



MAILING ADDRESS
P.O. Box 18727
Raleigh, NC 27619-8727

WEB SITE
www.ncbeec.org

STATE BOARD OF EXAMINERS OF ELECTRICAL CONTRACTORS

December 30, 2014

Senator Fletcher Hartsell, Co-Chair
Joint Legislative Program Evaluation Oversight Committee
Joint Legislative Administrative Procedure Oversight Committee

Representative Julia Howard, Co-Chair
Joint Legislative Program Evaluation Oversight Committee

Representative Tim Moffitt, Co-Chair
Joint Legislative Administrative Procedure Oversight Committee

Re: Response to Program Evaluation Division Final Report
Occupational Licensing Boards

Dear Senator Hartsell and Representatives Howard and Moffitt:

As Chair of the State Board of Examiners of Electrical Contractors, I write to comment on the report of the Program Evaluation Division staff released December 16, 2014. As one who has served on the Board, presented complaints to the Board, and observed the Board closely over nearly forty years, I feel qualified to present the initial reaction of the Board.

First, we are pleased that after PED review of a survey of the Boards and a comparison to other states, the PED staff concluded that there is not a need for centralization of occupational licensing agencies and that a transfer of regulatory and or administrative functions should not be attempted. With respect to the questions whether additional oversight is necessary, we stand ready to assist with the development and implementation of useful and low cost techniques to improve the methods of presentation of information and enhancing existing oversight. The Board is proud of the large volume of work it is doing and has done in the past. Furthermore, the cost to the regulated community has been kept low.

We are providing a brief response as the PED staff indicated that lengthy responses to the report would not be appropriate and we are fully aware of the existing demands on the time of the members of the General Assembly. Below are our comments and respectful suggestions:

1. The creation of the proposed new entity called "The Occupational Licensing Commission" would require taking money from the 700,000 private citizens licensed by occupational licensing boards to create additional bureaucracy that is neither necessary nor efficient. It is inevitable those additional costs would be placed on the backs of small business. Other alternatives should be explored and attempted first.

2. Occupational Licensing Boards currently submit approximately 18 reports annually to various public bodies and there were indications in a recent audit that those public bodies were not clear as to their role in reviewing that information. It would be far more useful to the general public and the regulated occupations for the General Assembly to reduce that number of reports to a single report and for that report to incorporate additional information related to the performance of the investigative, adjudicatory, examination and application functions of the Boards. A single comprehensive report would aid all interested persons who are reviewing the information while actually reducing cost to the Boards and thereby the licensees. We would be pleased to work with staff or the appropriate subcommittee to produce this result.
3. Substantial oversight exists at the present time. The activities of each licensing Board are already carefully scrutinized by a cross-section of citizens of North Carolina, including members of the profession, those with a background in safety inspection and public members. These individuals are not on a payroll but volunteer their time for the protection of the public at minimal and inadequate per diem. This level of immediate oversight by sworn board members is enhanced by the supplemental review carried out by staff not only of the PED but of the APO, OSBM, OAH, DOL and other State agencies. It would be entirely appropriate for the General Assembly to enhance the efficiency of the supplemental reviews by consolidating those reports and outside reviews of the conduct of the Occupational Licensing Boards, while still allowing ready access to other bodies at any time. Each Board could post its report on its own website at no cost. Experience teaches that both supporters and opponents are good at tracking down such information.
4. With respects to audits it is important to note that at present the Board engages an annual financial audit by an independent audit firm. A three year financial audit and performance evaluation cycle appears to be an economical approach with part of the cost of any additional performance evaluation set off by eliminating excessive annual financial audits. It would appear appropriate for that performance review to become a routine part of the tasks of the legislative staff and perhaps the staff of the Rules Review Division at the Office of Administrative Hearings rather than creating a new agency.
5. The review of the activities of more than 50 Occupational Licensing Boards over a period of six months presented a virtually impossible challenge to the PED staff. Unfortunately, an overly broad survey became the primary basis for recommendations for significant change that would carry with them substantial economic burdens. The overly broad nature of the survey ignored enforcement activities related to non-licensees (they present the most serious risk to the public), ignored the need for varying levels of discipline tailored to a given problem (including the numerous probations and stayed suspension orders and increased education requirements imposed on licensees deserving of discipline) and also the efforts made to prevent problems through educating the industry through various presentations and publications.

In summary, the remedies suggested by the report are not founded on solid evidence. Simpler lower cost options should be put in place before starting down the road to costly bloated bureaucracy.

Thank you for your efforts on behalf of the citizens of North Carolina.

Sincerely yours,



James W. Carpenter, Chair

Cc: Senator Phil Berger
Representative Tim Moore
✓ John W. Turcotte, Dir. Of Program Evaluation Division
Chuck Hefren, Principal Program Evaluator, Program Evaluation Division
Tim Norman, Executive Director
John N. Fountain, Board Counsel

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