

Briefing Paper: Policy Alternatives for State Board of Architectural Examiners

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Introduction

The 2015 *NCARB by the numbers*, an annual publication of National Council of Architecture Registration Boards (NCARB), provided a comprehensive analysis of architectural licensing candidates. The results of this analysis established that architecture licensure process in the U.S. is taking nearly 14.5-years to complete. The 2009 *NCARB Roster* revealed that the board of architectural examiners in all fifty U.S. states along with other U.S. territories are participating members of NCARB. This roster further exposed the close relationship between the exam vendor, accreditation agency, and professional organizations that lead the architecture licensure process in the U.S. This policy analysis is written for review by the office of Governor in the fifty U.S. jurisdictions to assess the need for public intervention to dismantle a monopoly control over the architecture profession. Following Bardach's eightfold path, this paper will address the following problem statement: **There are too many state board of examiners serving as agents of affiliate organizations representing a state sponsored monopoly resulting in negative externalities imposed on practitioners.** For this analysis, I will present: (a) a case for public intervention; (b) justification for two alternative solutions; and (c) examination of three selection criteria for each alternative. I will periodically refer to the Criteria Alternative Matrix (CAM) and tables presented in the appendix at the end of this paper. The incumbent system or any hybrids of business as usual are not considered as a feasible option and, therefore, are not considered in the CAM.

Literature Review

A Case for Public Intervention

The board of architectural examiners (Boards) are public officials holding the authority to grant professional licensure to practice architecture within their respective jurisdictions as a **non-depletable** public service. Board members may be salaried or reimbursed for expenses in relation to their duties. Regardless of the form of compensation, each board member takes an oath to hold public office with these primary objectives: protection of the public and regulation of the architecture profession. In fulfillment of these objectives, the Boards' job duties include selection of licensure paths which are then adopted in to state legislature. The Governor of each state has the authority to appoint and remove individuals serving of these Boards. However, nearly all Boards are self-nominating which means that the individuals put forth to the Governor's nomination committee have been selected by the Boards

themselves. Such a nomination structure is susceptible to **monopolization**; thus over time these Boards have become **corporatized** leading to a state sponsored monopoly on the architecture licensure process. As this monopoly extends across state boundaries, corporatization of this public service impedes upon **preference revelation** as defined in the **Tiebot's Model**. This lack of variance in public services restricts the ability for an individual to relocate to a U.S. jurisdiction where the public services meet their preference (Lovenheim & Turner, 2017). Practitioners in the architecture profession within the U.S. have limited options for licensure paths as it is allocated by a monopoly.

The path to architecture licensure recognized by all Boards is composed of a professional degree, work experience, and examination. Each of these steps are controlled by private affiliated organizations. National Architecture Accreditation Board (NAAB) is the sole accrediting agency for architecture school recognized by the Boards. Similarly, National Council of Architecture Registration Boards (NCARB) is the sole exam vendor for Architecture Registration Examination (ARE). NCARB also serves as the state vendor for maintaining the work experience record required by Boards. The American Institute of Architects (AIA) is the parent organization that created both NAAB and NCARB. Several sources confirm shared leadership and exchange of money among these affiliated organization: (a) NCARB Roster; (b) federal tax records; (c) shared business addresses; (d) website synchronization; (e) organizational by laws; and (f) decades of commingling among leadership.

Architectural school graduates attain a 5-year NAAB accredited professional degree which serves as base qualification to sit for NCARB's ARE. Other degrees types are considered non-professional and therefore not accepted by majority of the Boards. This excludable bias towards NAAB degrees directly contradicts the human capital model which rewards an individual with each year of education. In further contradiction with the human capital model, a handful of Boards only partially accept a non-NAAB degree. For example, California board of examiners penalizes graduates of non-NAAB programs by shaving off an entire year of education that counts towards licensure qualifications.

NAAB 5-year programs, however, fail to meet federal equivalency to other professional degree programs which require a minimum of six years of education. Furthermore, in comparison to other professional programs like law and medical degrees, architecture falls short by three years. Traditionally architecture programs are compared to engineering programs where only a 4-year degree qualifies a

graduate for an engineering licensure. Technically this puts the architecture school graduate at a higher human capital yet engineer licensure attainment spans a much shorter timeframe (ABET, 2015).

NCARB Roster has exposed that the board of architectural examiners in all U.S. territories actively hold leadership roles involving indirect benefits, reimbursements, or direct salary within these affiliated organizations. For example, in 2015 the active president of NCARB served on the Vermont state board of examiners while a controlling board members of NCARB served as president of the California Architect's Board. As Boards actively award public contracts to these private organizations, a blatant conflict of interest exists. Anti-corruption legislature in most U.S. jurisdictions construes this sort of relationship as one where the Boards have a financial interest in the public contracts they are awarding. Here is an excerpt from the California Government Code (California Attorney General's Office, 2010):

Does a board member have a direct or indirect financial interest in a contract being made either by the board or by any agency under the board's jurisdiction? If so, and the contract is made, the member may be subject to criminal sanctions and the contract may be void and any private gain received by the official under the contract may have to be returned.

In making a case for public intervention in this very public service, it is important to note that monopolies on professions can lead to potential **negative externalities** for the practitioner and the public. Without unbiased oversight, a monopoly control can convert this public service into a **rivalrous** commodity. NCARB holds the power to control the number of times a practitioner fails and must retake licensure exams in order to meet the organizations bottom line. Additional negative externalities in the form of **information asymmetry** can be created with prolonged control of a public service by a dominating monopoly (Lovenheim & Turner, 2017). Licensure is high-stakes signal to employers per the Signaling Model, progression of the architecture profession relies on a transparent licensure process. The information asymmetry makes it extremely difficult for a competing exam vendors to accumulate expertise to the same breadth as NCARB. There is no accountability for NCARB to truthfully and transparently communicate the exam content, exam grading, or pass rates.

Regarding accreditation oversight, the USDOE holds accreditation commissions accountable to minimal ethical and academic standards through a rigorous recognition process. Boards do not have resources budgeted to provide such an oversight. Furthermore, NAAB is not recognized by the U.S.

Department of Education (USDOE). Without unbiased oversight, NAAB has no accountability to provide quality accreditation to the schools; henceforth the system can lead to an uncertain fate for the quality of education offered at the schools of architecture. Education can become stagnant with stale standards depleting the human capital for the graduates. The incumbent system is exposed to all sorts of corruption such as bribery of state officials, altering of exam results, and market control. Therefore, public intervention is an urgent necessity to dismantle the monopolization of the state board of architectural examiners. So, what are the options? What alternative are viable?

Alternative #1: Focused affirmation and increased oversight by board of examiners

Although conflict of interest laws exist in all state legislatures, the existence of such conflict is common place in Boards. For example, California requires board members to complete Form 700 which requires disclosures of direct and indirect financial interests. California further has a nomination committee in the Department of Consumer Affairs that screens prospective candidates prior to appointment by the Governor. Even with these processes in place, leadership within the affiliated organization dominates the California board of architectural examiners. Simply put, conflict of interest in Boards is either being hidden, overlooked, or dismissed. Therefore, it is justifiable that a stronger alternative is enacted.

Firstly, alternative proposes that all new appointees to a public office file a focused statement of independence explicitly stating independence from the exam vendor, accreditation commission, or their affiliated organizations. Furthermore, the appointees must verbally affirm such independence as part of their oath of office. Such verbal affirmations are conducted publicly and are often transcribed for public record. Verbal disclosures raise the level of personal accountability and moral commitment due to an added threat of perjury (Keskel 2002). On the hind sight, with recorded incidences of corporate perjury, a focused affirmation might become a rhetorical jargon in the long run.

Secondly, as part of this alternative Boards must have a system of oversight. Such a system should include employment of trained psychometrician to hold the exam vendor continuously accountable. Results of licensure examination must be reported directly to the state and not the exam

vendor for protection of practitioners against score meddling. Boards must either have a strenuous recognition process for accreditation commissions or must only accept commissions that are recognized by the USDOE.

Selection Criterion A: Acceptability

Although the transparency of this alternative is undeniable, the incumbent organization would likely raise objection this competitive option. One argument that could be posed by this monopoly is that the exam vendor and the accreditor both have decades of experience with presiding over the licensure process. They might argue that the learning curve of independent Boards would not be worth a transparent system. Law makers would have to win over this argument posed by a monopoly to side with ethical solution for public safety and consumer protection. As acceptability of this alternative is extremely political, this criterion will hold a higher weight in the CAM.

Selection Criterion B: Equity

This solution is very equitable as it increases competition among exam vendors and accreditors. Anti-trust doctrines have proven that competition can lead to higher quality and lower prices. Since a monopoly has reigned over the architecture licensure process for decades, competitors are likely to develop slowly, therefore, this criterion will hold the lowest weight than others but option is likely to hold a high level of equity in the long run.

Selection Criterion C: Cost

When assessing public policy changes, Bardach points to the lack of funding as a typical downfall of a policy alternative. This solution proposes the need for a psychometrician to hold the exam vendor accountable. The annual salary for this position as published by the U.S. Bureau of Labor Statistics is \$100,000. *NCARB by the numbers* indicates that 3,000 practitioners sit for the ARE each year. Each practitioner pays an exam fee of \$204. This cost to employ a psychometrician in each state of the fifty Boards if recouped through exam fees would drive up the cost per exam by approximately \$9. Competition among exam vendors, however, could lead to a decrease in fees by as much as \$100 per exam in correlation with other competitive high stakes exams such as nursing licensing exams or those

required for college admissions. Therefore, it is likely that any increase in exam fees as part of this option would be more than offset through competition. Boards that choose to recognize a U.S.DOE accreditor, would incur no additional cost. As cost is an important consideration for protection of practitioners, this criterion will hold the middle weight in the CAM.

Alternative #2: Public election of board of examiners

As individuals that serve on the board of examiners are appointed by the Governor, it may be simple for the Governor to remove those with a conflict of interest and reappoint the positions from a new pool of candidates with careful deliberation. Such a solution, however, would not be sustainable in the long run. As the next Governor is elected and a new administration steps in, the business as usual will slowly creep back into position and the problem will re-emerge. This alternative proposes that board of examiner positions be placed on the ballot alongside with other elected positions within state general elections requiring a public vote. Such a system would naturally lend itself to fair competition, transparency, and allow for public discretion. Due to information asymmetry, it is foreseeable that the incumbent Boards would hold greater campaign leverage and funding in comparison to independent new comers. Public discretion is an extremely viable option that has proven to work in U.S. democratic government structure. (Kennedy, 2014).

Selection Criterion A: Acceptability

Politics is a dominating focus for most Americans. People perceive elections as an inherently fair system. The ability to elect Boards would be a welcome addition to the state ballot. According to Kennedy, right to vote has been a cornerstone of the American democracy imparted by the U.S. constitution. This option is likely to achieve high acceptability.

Selection Criterion B: Equity

According to Bloomberg, only 40 percent of eligible voters cast ballots in state general elections. Now if we consider elections of Boards will directly impact practitioners' ability to obtain a license to practice as a signal for higher wages, the voter turnout among practitioners would likely be higher than it has been in the past. *NCARB by the numbers* indicates that there are 100,000 licensed architects and

50,000 exam candidates in the nation each year. That averages about \$3,000 eligible architectural partitioners per state. It is then fair to assume that an election for Boards would yield roughly 1,200-practitioner voters per state. Such small numbers might not appear equitable until compared to the handful of individual that currently sit on the nomination committees where the ultimate appoint is made by a single individual, the Governor. This option is likely to hold a high level of equity.

Selection Criterion C: Cost

The U.S. National Budget Commission indicates that the average cost of passing new regulations in state legislature can be up to \$900. Majority of the cost will be expanded on election campaigns by candidates for Boards seats. Aristotle International publishes data on local political campaign cost as \$1 per voter or in this case per practitioner. This averages about to \$3,000 in campaign funds per seat with an average of eight seats per board which brings the sum of campaign costs expanded by all candidates within a single state to \$24,000. The market impact would mirror the savings accumulated by an average state legislature from lack of effort required by the nomination committees. Electronic ballot scanners are readily utilized by state legislature for current state elections. Any costs related to voting would likely be minimal and are not considered as part of this alternative. This option is likely to hold low cost.

Conclusion

At the start of this analysis both alternatives appeared nearly viable but the CAM provides a means of measurement to quantify the outcomes. In conclusion, *Policy Alternatives for State Board of Architectural Examiners* CAM surprisingly indicates that Alternative II: Public Vote for Appointment of Board Members is the single strong solution out of the two alternatives examined. This base case is justifiable as it has been critically examined for both pros and cons in consideration of Bardach's common pitfalls within the three selection criteria: cost, acceptability, and equity. The Bardach eight-fold process has provided a fluid policy analysis to yield clear results. This policy analysis serves as a comprehensive compilation of knowledge, concepts, and methods acquired in the EdD602 course.

Appendix

Table 1

Alternatives to Current Policy Affecting the Selection of Board of Architectural Examiners

Alternatives		Description
I	Focused affirmation and increased oversight by board of examiners	Enact policy to prohibit licensing exam vendor, accreditation body, and affiliates organizations of these agencies from serving on state board of examiners. Increase oversight policies to ensure fair exam and quality education for practitioners.
II	Public election of board of examiners	Enact policy to place board of examiners on the public voting ballot in general elections along with other elected officials in the state.

This table compares provides a brief description of the two alternatives presented in this policy analysis. The incumbent system or business as usual is not considered as a feasible option.

Table 2

Qualitative Criteria Alternative Matrix (CAM)

Alternatives		Acceptability	Equity	Cost
I	Focused affirmation and increased oversight by board of examiners	Targeting of the incumbent board of examiners with new policies is likely to raise strong opposition from the three affiliated organization controlling the licensure process, AIA-NCARB-NAAB.	This option makes way for competition among exam vendors and accreditors. The high level of fairness in exam grading this option offers may not be immediately felt by the practitioners due to the likely slow development of competition.	Practitioners will incur slight increase in examination fees. However, the increased protection to the consumer of a fair licensure process outweighs the minor cost increase.
II	Public election of board of examiners	Election of state officials is a common practice in the U.S. It is already deemed accepted for decades. It is unlikely this option will create opposition by the public.	With a small pool of eligible voters, the fairness of this option may not be readily visible. However, in comparison to hand full of committee members that nominate the current board officials, it is considered to hold high level of fairness in terms of number of persons making the decision.	There is no increase in exam fees incurred on the practitioner and the state cost of the nomination committee is eliminated from the state budget. This is a very cost effective option.

This table compares provides a summary of each of the three criteria used to compare the two alternatives presented.

Table 3

Key to Interpreting the Extremes of Likert Scale (1 - 5)
Rating Applied to Satisfaction of a Criterion by an Alternative

Criteria	Interpretation of Ratings	
	"5" – Very Strong	"1" – Very Weak
A Acceptability	Governor support is extremely likely to implement all proposed policy components.	Endorsement by the Governor is not likely
B Equity	Policy creates fair competition in the market without having extreme impact on key players.	Policy impedes fair competition in the market; key players will lose market share after implementation.
C Cost	Anticipated to achieve full policy objective within existing cost structure; cost impact occurs within short-term period.	Significant cost impacts after implementation; cost impacts accumulated long-term

This table provides interpretation for the Likert scale range used in this policy

Table 4

Relative Weights Applied to Each Criterion used to Evaluate Alternatives

Criteria	Weight
A Acceptability	0.6
B Equity	0.1
C Cost	0.3
Total	1.0

Table 5

Quantitative Criteria Alternative Matrix

Alternatives		Acceptability	Equity	Cost	Total
I Focused affirmation and increased oversight by board of examiners	Rating	1	4	2	1.0
	Weight	0.6	0.1	0.3	
	Total	0.6	0.4	0.6	
II Public election of board of examiners	Rating	5	4	5	1.0
	Weight	0.6	0.1	0.3	
	Total	3	0.4	1.5	

In this table the Likert scale score is multiplied by the respective weight for each criterion. This numeric system serves as justification for the most likely alternative. Alternative II stands out as the stronger contender out of the two alternatives.

Ratings: (1) Very Weak, (2) Somewhat Weak, (3) Moderate, (4) Somewhat Strong, (5) Very Strong.

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