



**SFY20-21 Budget Report from the Plumbers, Mechanical Professionals and Contractor
Licensing Board**

Pursuant to the requirements of Iowa Code 105.9

Submitted to the Iowa General Assembly

**Bureau of Environmental Health Services, Division of ADPER & EH
January 6, 2022**

Iowa Department of Public Health
Protecting and Improving the Health of Iowans



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Pursuant to Iowa Code section 105.9, the Iowa Plumbing and Mechanical Systems Board (PMSB) submits the following annual budget report to the Iowa Legislature. Iowa Code section 105.9 requires the board to demonstrate that revenues remain within 10% of expenditures over a period of at least three years. Due to the COVID-19 response efforts of the Department and staff responsible for this report, a report was not issued in SFY20. This report serves as the requirement for both SFY 20 and SFY 21.

SFY 20-21 Renewal Cycle:

The PMSB successfully navigated the 2020 renewal during the COVID pandemic. The majority of PMSB office staff were sent home to work in March of 2020. On June 30, 2020 all PMSB licenses expired. During the COVID pandemic the Board convened more frequently to adjust rules and guidance, so that licensees could safely renew their licenses. Below are the significant actions that the Board took to help ensure a safe 2020 renewal cycle. The Board's rule changes and guidance were based on authority in the Governor's Proclamation of Disaster Emergency.

During the various extensions of the 2020 renewal, the PMSB worked with the Department of Labor to ensure the "one stop shop" association with contractor licensing and contractor registration remained consistent. The Department of Labor followed the PMSB lead and also extended the contractor registration for those contractors licensed with the PMSB.

In July of 2020 the PMSB began the process of soliciting industry input and updating the plumbing and mechanical codes. In June 2021 the updated plumbing and mechanical codes became effective. The current State Plumbing Code is the 2021 Uniform Plumbing Code with state amendments. The current State Mechanical Code is the 2021 International Mechanical Code with state amendments.

Finally, the PMSB implemented new rules related to 2020 Iowa Acts HF2627.

SFY2018 thru SFY 2019 Licensee Data Snapshot

- Expiration dates on these licenses are June 30, 2023
- There are 16,176 individual licenses and 1694 contractor licenses.

Total Active Contractor License with Expiration of 2023	1694	
Total # of Master of Records (MORs)	2639	MOR-Plumbing: 1317 MOR-Hydronics: 162 MOR-Mechanical: 652 MOR-HVAC/R: 508
Inactive Master/Active Journey (IM/AJ)	94	Plumbing: 54 Hydronics: 5 Mechanical: 14 HVAC/R: 21
Total # of Apprentices	1428	
Total # of Hearth Systems	7	
Total # of Private College	5	
Total # of Disconnect/Reconnect	6	
Total # of HVAC Service Tech	160	
Total # of Med Gas	65	
Total # of Journey Licenses	6087	Plumbing: 2510 Hydronics: 669 Mechanical: 1337 HVAC/R: 1413 Sheet Metal: 158
Total # of Master Licenses	5685	Plumbing: 2872 Hydronics: 308 Mechanical: 1335 HVAC/R: 1170
Total # of individuals that hold more than 1 license	3188	
Total # of applicants that received a discount	3193	Individuals: 2823 Contractors: 370

SFY2020/SFY2021 expenditures and projected annual budget through SFY2025:

Expenditure Summary SFY 2020 & FY 2021			
State Fiscal Year	Revenue (includes carryover, & licensing fees)	Expenditures	Balance
2020	\$2,733,829	\$686,871	\$2,046,958
2021	\$3,180,266	\$715,859	\$2,464,406
Projected Revenue and Expenditures SFY 2021 through 2024			
2022	\$2,499,617	\$1,304,497*	\$1,195,120
2023	\$1,315,120	\$1,304,497	\$10,623
2024	***\$2,240,000	\$1,304,497	\$935,503
2025	\$1,055,503	\$1,304,497	(\$248,994)

***The increase in expenses is related to estimated AMANDA 7 (required upgrades to licensing software) implementation and ongoing operational & maintenance costs.**

****This estimate includes an estimated 20% loss of revenue for those licensees who choose to not renew. This estimate also includes revenue generated from the renewals due June 30, 2023.**

Summary:

- An AMANDA 7 upgrade will take place prior to the next renewal cycle. The ultimate impact on budget numbers is not yet fully understood.
- While technology may reduce the need for certain administrative costs and improve customer experience, there is an offset (and often an increase) in costs associated with information technology staff, as well as hosting and maintenance of the technology.
- The SFY21-SFY23 budget shows a three year estimated revenue generation of \$3,335,477 and estimated expenditures equal to \$3,324,853. This means projected revenues and expenditures are within 1% of each other, well within the 10% statutory requirement.
- These projections, when adjusted with additional details regarding hosting and maintenance costs of AMANDA, necessary upgrade to AMANDA 7, salary adjustments, and other expenses, highlights the importance of routinely reviewing and adjusting licensing fees and requirements.