



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 160-20 – Board for Waterworks and Wastewater Works Regulations
Department of Professional and Occupational Regulation
November 5, 2008

Summary of the Proposed Amendments to Regulation

The Board for Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals (Board) propose to: 1) add continuing professional education (CPE) as a requirement for wastewater works operator license renewal, 2) limit safety subjects to at most half of qualifying CPE (for both waterworks operator licenses and wastewater works operator licenses) 3) allow the teaching of CPE courses to apply toward CPE credit, 4) allow the development of CPE courses to apply toward CPE credit, 5) add distance learning to the definition of “Structured training activity,” 6) repeal obsolete, repetitive, and contradictory language, and 7) make clarifying changes.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

In order to comply with U.S. Environmental Protection Agency (EPA) requirements waterworks operators have been required to complete CPE via these regulations since 2001. According to the Department of Professional and Occupational Regulation (DPOR), since 2001 it has been anticipated that EPA would make the same requirement for wastewater works operators. EPA has yet to do so.

Nevertheless, the technology associated with wastewater management has been advancing and is expected to continue to advance at a rapid pace. According to DPOR, \$1.4 billion dollars in upgrades to approximately 120 wastewater facilities located in the Chesapeake Bay Watershed are now needed to meet EPA water quality improvement standards. Wastewater works operator license holders will need additional training in order to assure continuing operator competency to operate the new technology and, thereby, protect the Chesapeake Bay Watershed and the public. Not all of Virginia is in the Chesapeake Bay Watershed, but wastewater works in other parts of the Commonwealth will likely upgrade their technology as well eventually, even if it is not as soon as in the Chesapeake Bay Watershed. Thus, the Board proposes to require that wastewater works operators complete CPE during each two-year renewal cycle in order to renew their license.

For each class of licensure, the proposed required amount of CPE per two-year renewal cycle is the same for both waterworks operators and wastewater works operators: 16 contact hours for Class 4, and 20 contact hours for Classes 1, 2, and 3. DPOR states that waterworks and wastewater facilities may conduct and document their own CPE training to meet the needs of their facility, and that training can apply toward the CPE contact hours required for license renewal. The agency also reports that for licensees taking outside CPE “The typical cost of continuing education is from \$30 to \$90 per contact hour.” This works out to \$480 to \$1,440 for Class 4 licenses, and \$600 to \$1,800 for Classes 1, 2, and 3. The potential consequences of not requiring CPE for wastewater works operators include the contamination of public and private waters through inadequate work due to ignorance of proper procedures in use of new technology. A significant portion of wastewater works operators would likely keep up with the necessary knowledge to competently practice without the CPE requirement. The proposed requirement for CPE will likely increase that portion though. The increase in number of licensees who remain competent and the increase in depth of relevant knowledge for those who would have been competent anyway is not known; but the benefits from the reduced risk to water quality likely exceeds the costs.

The Board also proposes to limit safety-themed subjects to at most half of qualifying CPE (for both waterworks operator licenses and wastewater works operator licenses). The apparent reasoning is that there has been and should remain a significant emphasis on the important subject of safety, but that other areas that are necessary for competent practice may be

overlooked if CPE is dominated by safety instruction. To the extent that this proposal encourages greater education in advancements in non-safety areas of waterworks and wastewater works operations without compromising safety, this proposal should create a net benefit.

Though the Board proposes to limit the amount of safety-themed qualifying CPE, it also proposes three additional methods of obtaining qualifying CPE: distance learning, the development of license-relevant CPE courses, and the teaching of license-relevant CPE courses. Currently Internet-based courses and other methods of distance learning are not accepted for CPE credit. Under the proposed regulations distance learning can qualify for CPE credit as long as it is determined that it meets all other CPE criteria. This proposed change is clearly beneficial in that it has the potential to reduce travel and time costs for licensees, and may allow relatively isolated licensees greater opportunity to take relevant courses. Developing a course and teaching a class both involve adding depth of understanding. Given that CPE courses developed and/or taught must be pertinent to the license in question to qualify for CPE credit, developing and teaching these courses add depth of knowledge in license-relevant topics. Thus, giving CPE credit for developing and teaching these courses increases knowledge relevant for protecting the public and the proposal creates net benefit.

Businesses and Entities Affected

The proposed amendments affect the 2,583 licensed wastewater works operators in the commonwealth,¹ wastewater works facilities, colleges that offer instruction relevant to waterworks and wastewater works operations, and the public.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposal to require CPE for wastewater works operator license renewal may moderately increase employment for providers of such instruction.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

As most waterworks operator licensees and wastewater works operator licensees work for public entities, and most license-relevant CPE courses are provided by public entities, the proposed amendments are unlikely to significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

As most waterworks operator licensees and wastewater works operator licensees work for public entities, and most license-relevant CPE courses are provided by public entities, the proposed amendments are unlikely to significantly affect small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the

¹ Data Source: Department of Professional and Occupational Regulation

regulation. The analysis presented above represents DPB's best estimate of these economic impacts.