



pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Bureau of Safe Drinking Water



Chapter 302

Three-Year Regulatory Fee and

Program Cost Analysis Report

Environmental Quality Board

March 16, 2021

Tom Wolf, Governor

Patrick McDonnell, Secretary

Regulatory Requirements

- Chapter 302, Administration of the Water and Wastewater Systems Operators' Certification Program, was published as a final rulemaking on September 18, 2010.
- 25 Pa. Code § 302.202: *“The Department will review the adequacy of the fees established in this section at least once **every 3 years** and provide a written report to the EQB.”*

Fee Review Historical Summary

- Today will mark the third occasion the Department presented a fee report to EQB since Chapter 302 was published.
- August 12, 2020: Operator Certification Board reviewed and commented on the fee report presented today.
- Proposal to EQB Today: *No modification of fees.*

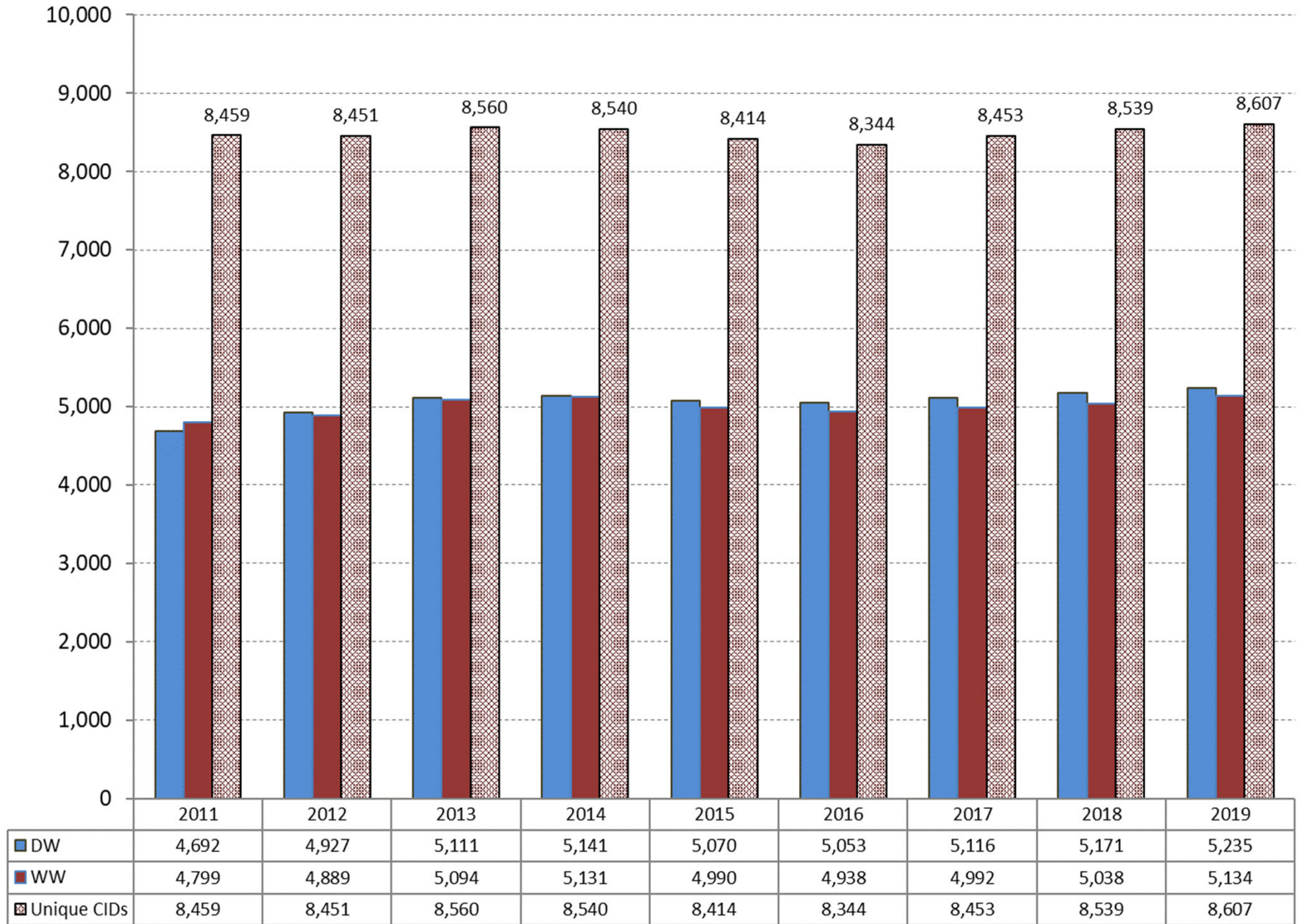
Fee-Related Activities and Costs

- Examination Delivery
- Initial Certification, Certification Upgrade, Reciprocity, Certificate Renewal
- Technical Support
- Training and Continuing Education
- Course Development and Delivery

Program Implementation: Personnel

- Administrative Staff
- Information Technology Staff
- Water Program Specialists and Group Manager
- Compliance Assistance Specialists
- DEP Proctors
- Water Professional Exam Proctors - wage payroll
- Public Services Institute Instructors - wage payroll

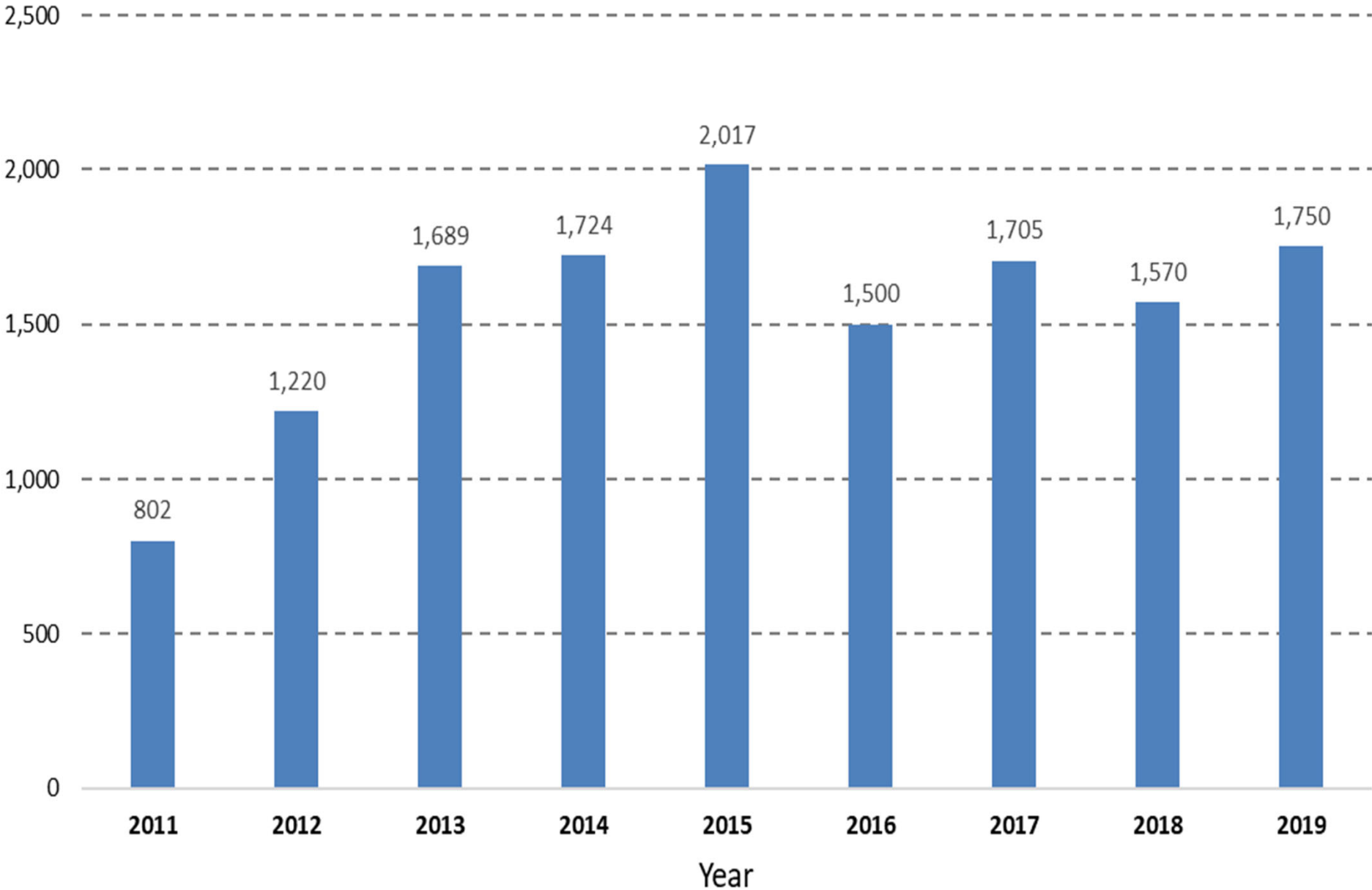
Licenses 2011-2019



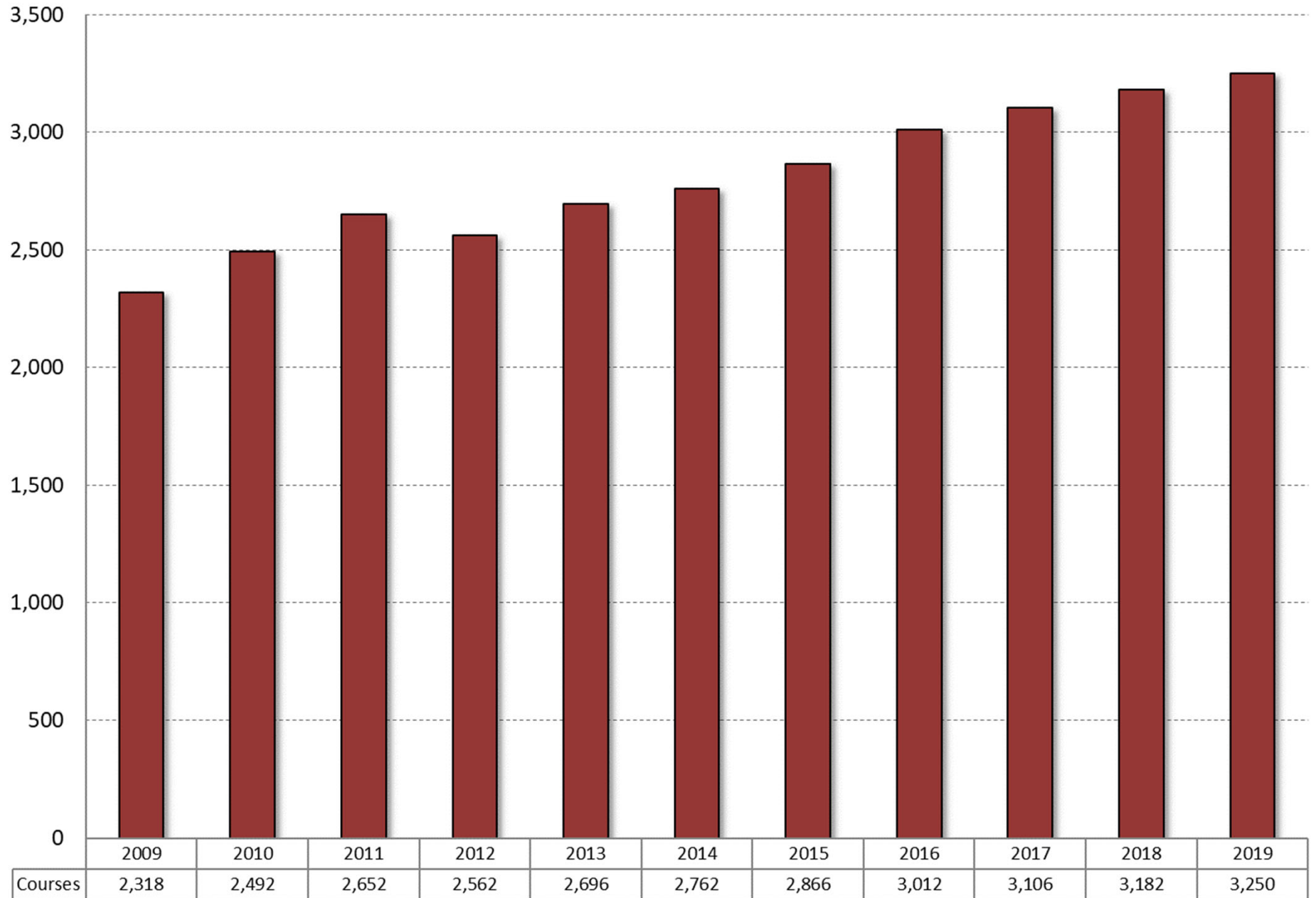
➤ More Operator Exam Opportunities

- Every year from 2013 through 2019 the number of examination seats *offered* significantly exceeded the number of exam seats *filled*.
- More specifically, during this seven-year period:
 - 16,216 total exam seats *offered*
 - 12,050 total exam seats *filled*

Examinees 2011-2019



Cumulative Total Approved Courses at End of Calendar Year 2009-2019



Summary of Chapter 302 Revenues

| Rev. Source | FY '16-17 | FY '17-18 | FY '18-19 | FY '19-20² | FY '20-21² | FY '21-22² |
|--------------------|------------------|------------------|------------------|------------------------------|------------------------------|------------------------------|
| Certification | \$308,052 | \$316,747 | \$268,710 | \$297,836 | \$297,836 | \$297,836 |
| Training | \$ 54,110 | \$ 53,283 | \$ 50,116 | \$ 52,503 | \$ 52,503 | \$ 52,503 |
| Annual Service | \$500,328 | \$505,228 | \$500,743 | \$502,100 | \$502,100 | \$502,100 |
| TOTAL | \$862,490 | \$875,258 | \$819,569 | \$852,439 | \$852,439 | \$852,439 |

Notes:

- ¹ Revenues listed in the table are deposited into a dedicated Operator Certification sub-fund within the Safe Drinking Water Fund. Revenues do not include supplemental funding from the U.S. Environmental Protection Agency for technical support and training program development and implementation.
- ² Revenue projections for FY '19/20, FY '20/21, and FY '21/22 are based on averages of each Revenue Source line item for FY '16/17 through '18/19.

Operator Certification Program Expenses

| Expense | FY '16-17 | FY '17-18 | FY '18-19 | FY '19-20² | FY '20-21² | FY '21-22² |
|--------------------------|-------------------|------------------|------------------|------------------------------|------------------------------|------------------------------|
| Personnel | \$ 791,573 | \$737,390 | \$631,683 | \$741,822 | \$764,077 | \$786,999 |
| Operating | \$ 35,245 | \$ 22,883 | \$ 25,824 | \$ 28,824 | \$ 29,689 | \$ 30,579 |
| IT Expenses ³ | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| TOTAL | \$ 856,818 | \$790,273 | \$687,507 | \$800,646 | \$823,766 | \$847,578 |

Notes:

- ¹ Expenses listed in the table are charged to the Operator Certification expense sub-fund within the Safe Drinking Water Fund.
- ² Starting in FY '19-20, the projected expenses are based on the following assumptions:
 - a. Complement will remain at existing levels and staff will continue to carry out duties under the Operator Certification program.
 - b. A standard inflationary increase of 3% per year is applied to personnel and operating expenses.
- ³ IT services are provided through DEP's enterprise contractor and include support and enhancements to eFACTS and the Earthwise Academy operator transcript and continuing education catalog system. Adept Consulting, Inc. is currently DEP's enterprise contractor.

Revenue vs Expense Trend Analysis

Table 4. Revenue/Expense Ratios for the Operator Certification Program

| | FY '16-17 | FY '17-18 | FY '18-19 | FY '19-20 | FY '20-21 | FY '21-22 |
|-------|------------------|------------------|------------------|------------------|------------------|------------------|
| Ratio | 1.01 | 1.11 | 1.19 | 1.06 | 1.03 | 1.01 |

- The projected revenue/expense ratios indicate that the current fee schedule established in 25 Pa. Code Chapter 302 should cover most Operator Certification program costs for the next three fiscal years.
- Reduced Expenses in FY 18-19 were a result of a staffing vacancy which was filled in FY 19-20.
- Surplus revenues from previous fiscal years will cover actual shortfalls that may occur in FY '20 through FY '22.

➤ Certification Board Review and Comment

Minutes from the August 12, 2020 meeting of the State Board for Certification of Water and Wastewater Systems Operators:

“The Board voted that the report content was complete and agreed with the Department’s recommendation to keep the existing fee structure for the next three fiscal years.”

DEP Recommendation

- After careful consideration of available information, DEP plans to retain the current fees in Chapter 302.
- The next fee review and cost analysis report should occur in fourth quarter of 2022, with results and recommendations presented to the EQB in 2023.



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