



pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Bureau of Safe Drinking Water

Chapter 302 Three-Year Regulatory Fee and Program Cost Analysis Report

Environmental Quality Board

Harrisburg, PA

November 19, 2013

▶ Regulatory Requirements

- Chapter 302, Administration of the Water and Wastewater Systems Operators' Certification Program, was published as 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 Related Activities and Costs

- Certification exam delivery
- Initial certification, certification upgrade, reciprocity, and certificate renewal
- Technical support
- Training and continuing education
- Course development and delivery

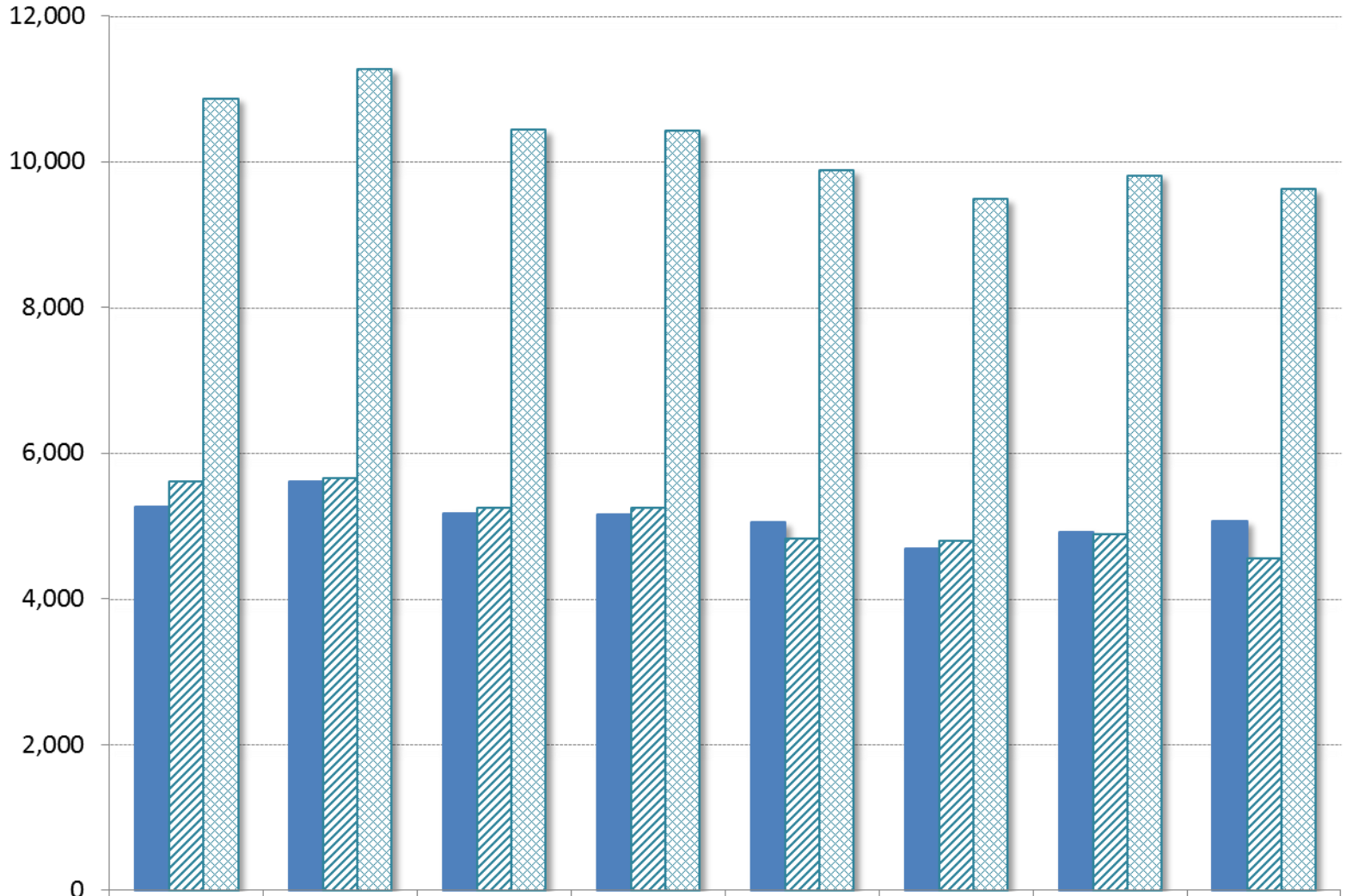
▶ Program Implementation: Personnel

- Administrative staff
- Information Technology staff
- Water Program Specialists
- Public Services Institute Instructors (wage payroll)
- Water Professional Exam Proctors (wage payroll)
- Temporary Clerical Pool (wage payroll)

▶ Program Efficiency Improvements

- Increased statewide number of exams.
- Credit card payment for the Department's web-based courses.
- Online exams (pilot test during 2013-2014).
- Begin automating annual fee invoicing through eFACTS enhancements.

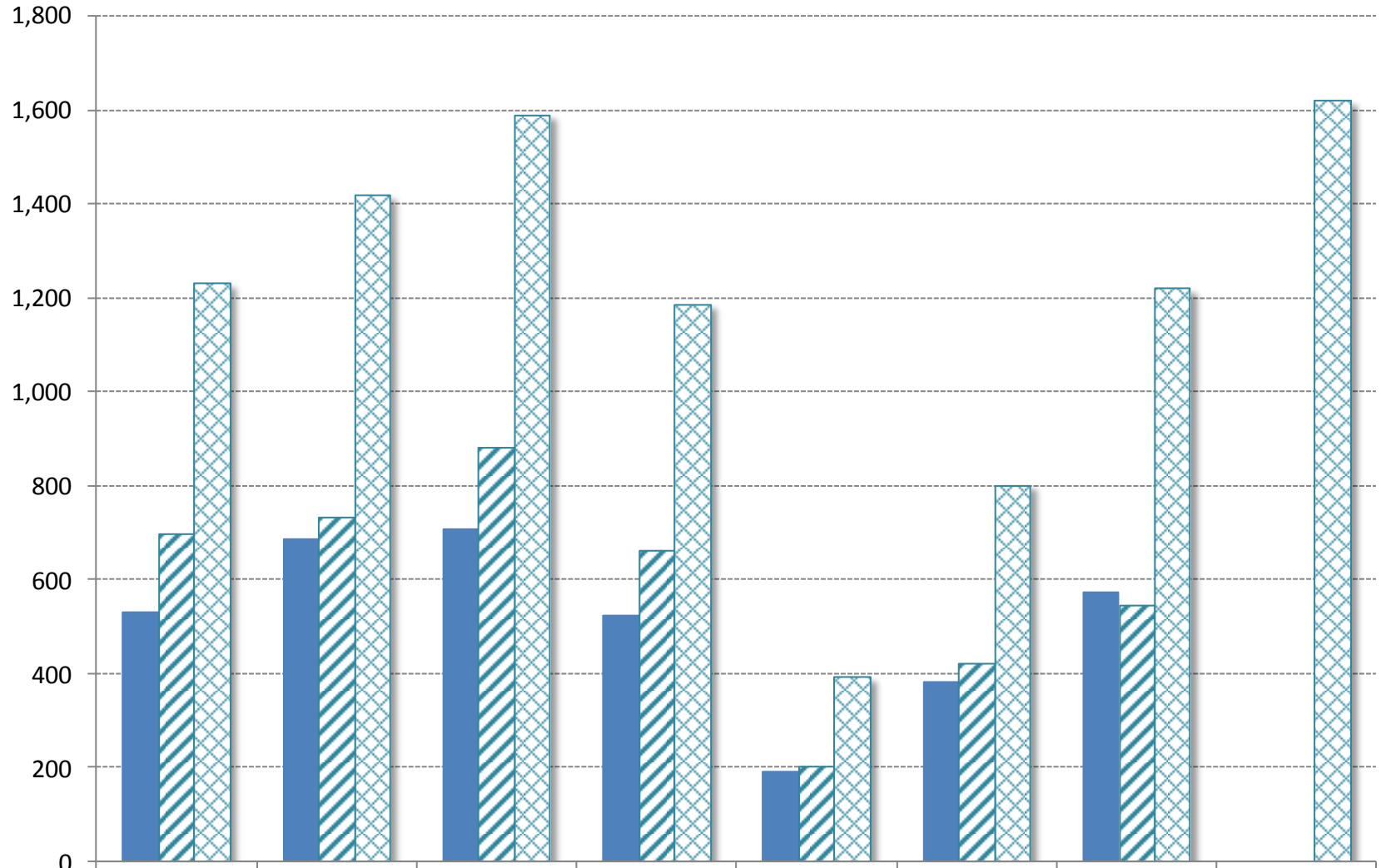
Licensed Operators: Calendar Years 2006-2013



■ Drinking Water	5,265	5,615	5,179	5,168	5,051	4,692	4,927	5,071
▨ Wastewater	5,610	5,662	5,260	5,256	4,829	4,799	4,889	4,556
▩ Total Licensed Operators	10,875	11,277	10,439	10,424	9,880	9,491	9,816	9,627

Note: 2013 data is year to date

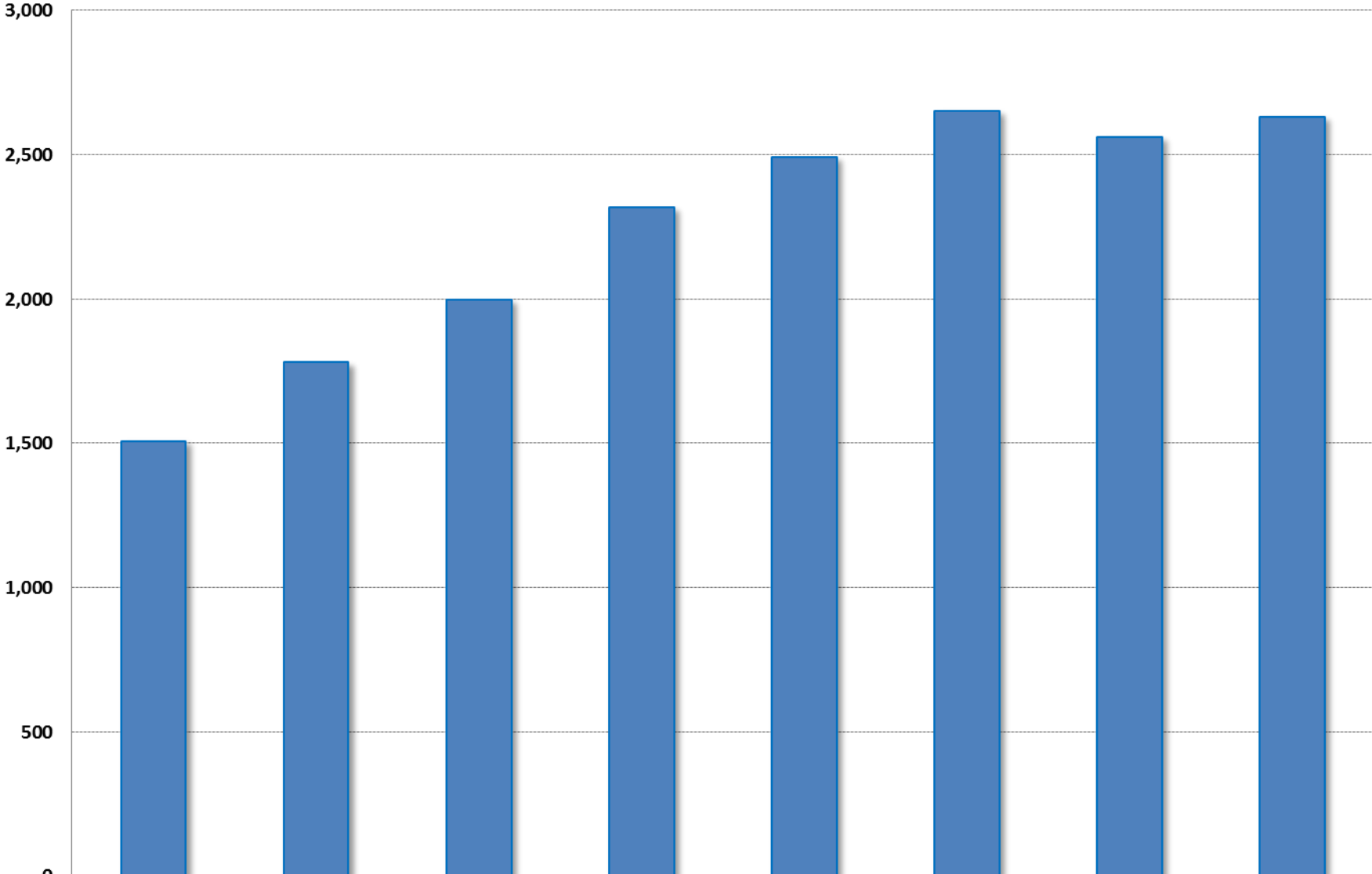
Certification Exams by License: Calendar Years 2006-2013



■ Drinking Water	532	687	708	523	190	381	572	
▨ Wastewater	699	732	882	664	203	421	547	
▩ Total	1,231	1,419	1,590	1,187	393	802	1,220	1,620

Note: 2013 data is projected

Cumulative Total Approved Courses: Calendar Years 2006-2013



	2006	2007	2008	2009	2010	2011	2012	2013
Courses	1,508	1,781	1,998	2,318	2,492	2,652	2,562	2,632

Note: 2013 data is year to date

Chapter 302 Revenues¹

Rev. Source	FY '10-11	FY '11-12	FY '12-13²	FY '13-14	FY '14-15	FY '15-16
Certification	\$203,975	\$283,350	\$233,330	\$232,000	\$232,000	\$232,000
Training	\$ 43,898	\$ 62,700	\$ 64,701	\$ 67,000	\$ 67,000	\$ 67,000
Annual Service	\$106,540	\$332,071	\$620,285	\$523,000	\$523,000	\$523,000
TOTAL	\$354,413	\$678,121	\$918,316	\$822,000	\$822,000	\$822,000

Notes:

- ¹ Revenues listed in the table are deposited into three Operator Certification sub-funds within the Safe Drinking Water Fund. Revenues do not include funding from the U.S. Environmental Protection Agency for technical support and training program development and implementation.
- ² FY '12-13 revenue includes delinquent annual service fee payments plus 12% interest per annum from FY '11-12. See the section in the report titled "Annual Service Fee Delinquency."

Program Expenses¹

Expense	FY '10-11	FY '11-12	FY '12-13	FY '13-14²	FY '14-15²	FY '15-16²
Personnel	\$ 34,232	\$248,667	\$565,970	\$686,627	\$772,371	\$804,553
Operating	\$ -	\$ 3,581	\$ 65,478	\$ 93,128	\$105,989	\$110,405
Contracts ³	\$ -	\$ 12,079	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
TOTAL	\$ 34,232	\$264,327	\$631,448	\$829,755	\$928,360	\$964,958

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 '13-14, the projected expenses are based on transferring timesheet charges and/or complement from the federal Drinking Water State Revolving Fund to the state Safe Drinking Water Fund; retaining ongoing contracted services; and applying a standard inflationary increase of 4% per year to personnel and operating expenses.
- ³ Contracted services are provided through DEP's enterprise contactor.

▶ Trend Analysis

Program Revenue/Expense Ratios

	FY '10-11	FY '11-12	FY '12-13	FY '13-14	FY '14-15	FY '15-16
Ratio	N/A ¹	2.57	1.45	0.99	0.88	0.85

Notes:

¹ FY '10-11 was a transition year.

► Certification Board Action

At the October 16, 2013 meeting of the State Board for Certification of Water and Wastewater Systems Operators:

“[The Board] has reviewed the *Three-Year Regulatory Fee and Program Cost Analysis Report*...and is satisfied with the level of documentation and information.”

▶ DEP Comment and Assessment

- In FY '14-15 and '15-16, expenses will exceed revenue within the Operator Certification program.
- Surplus revenues from FY '10-11 thru '12-13 will provide temporary relief for these deficits.
- At this time, DEP plans to retain the fee schedule in Chapter 302.
- The next fee and cost analysis report to the EQB will occur in Q4 2016.



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Bureau of Safe Drinking Water

Thank you.

Kelly Jean Heffner, Deputy Secretary
Office of Water Management

Lisa D. Daniels, Director
Bureau of Safe Drinking Water