

FEE REPORT FORM

Department of Environmental Protection

Agency

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Date

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Program: Chapter 302. Administration of the Water and Wastewater Systems Operators' Certification Program

Budget Year¹

	Prior Year FY 2007	Prior Year FY 2008	Current Year FY 2009	Projected FY 2010	Projected FY 2011
Administrative	\$454,413	\$471,605	\$443,382	\$240,053 ²	\$247,255
Examination Delivery	\$ 40,000	\$ 45,000	\$ 50,000	\$ 55,000	\$ 56,650
Technical ³	\$369,570	\$369,570	\$369,570	\$369,570	\$369,570
Training	\$ 83,357	\$ 85,935	\$ 88,513	\$ 91,168	\$ 93,903
DEP Courses	\$166,714	\$171,870	\$177,026	\$182,337	\$187,806
TOTAL:	\$1,114,054	\$1,143,980	\$1,128,491⁴	\$938,128	\$955,184

¹ Does not include funding from the US Environmental Protection Agency for technical support and training program development and implementation.

² Assumes the elimination of a costly contract for the scoring and preparation of examinations and reduced support for modifications to eFACTS.

³ General Fund appropriation for program development and technical support.

⁴ The costs for the current year, FY09 are estimates of what actual costs for the program would be if all elements of the program were being implemented. Due to budget cuts to the General Fund and the resultant furloughs, all services related to the administrative costs for examination preparation and delivery, the issuance of new operator licenses and license upgrades, technical and compliance assistance and training were curtailed indefinitely.

FEE COLLECTIONS:

2008⁵ \$ 68,915 (Certification Fees)
 \$ 7,000 (Training)

⁵ The fees collected in 2008 are a more accurate reflection of the total fees that were being collected as a result of the current fee structure. Due to the cessation of a number of services in 2009 because of budget cuts and furloughs, the amount of fees collected in 2009 is reduced substantially.

Proposed \$ 328,700 (Operators)
 \$ 81,770 (Training Providers and Approved Examination Providers)
 \$ 282,785 (Drinking Water System Owners)
 \$240,365 (Wastewater Treatment System Owners)
 \$ 27,750 (DEP Course Fees)

\$961,370 (the difference in fees collected and program costs is to account for the approximate loss in funds resulting from the proposed ceiling of \$10,000 to be paid by any one person)

FEE TITLE AND RATE:

Current Certification Renewal Fee **\$ 15 / 3 years**
 Examination Fee **\$ 20 per session**
 Training Offered by DEP (dependent on format)

Proposed **See Table 1.**

Table 1. Summary of Proposed Fees

Fee	Entity Paying Fee	Amount
Training Provider Approval	Training Provider	\$90
Full Course Approval	Training Provider	\$300
Brief Course Approval	Training Provider	\$115
Conference Approval	Training Provider	\$70
Course Rosters (fee per name)	Training Provider	\$1
10 or more examination sessions per year	Approved Examination Provider	\$800
5 to 10 examination sessions per year	Approved Examination Provider	\$700
2 to 5 examination sessions per year	Approved Examination Provider	\$600
1 examination session per year	Approved Examination Provider	\$400

Table 1. Summary of Proposed Fees, cont.

Fee	Entity Paying Fee	Amount
New License (3 yr)	Operator	\$150
License Renewals (3 yr)	Operator	\$60
Exam Session (per 4 hrs)	Operator	\$35
Post-Presentation Credit Application Fee	Operator	\$250
Annual Service Fee **	Class A Systems (> 5 mgd)	\$500
	Class B Systems (1 to 5 mgd)	\$150
	Class C Systems (100,000 gpd to 1 mgd)	\$100
	Class D Systems (<100,000 gpd)	\$ 65
	Class E Systems	\$ 65
Department Classroom Courses	Course attendees	\$10 per hour
Department Web-based Courses	Course attendees	\$30 per hour
Department On-site Training	Systems asking for the training	\$1600 per course

FUND FEE IS DEPOSITED INTO: Safe Drinking Water Fund

FEE OBJECTIVE: The fee schedule established in this regulation is designed to cover the costs for administrative aspects of the program services and the costs for Department training course development and delivery not covered by federal funding. It is also designed to replace the general funds dedicated to this program on an annual basis between 2003 and 2009 for technical support and compliance assistance. The proposed fees are equitable and relate to training and certification activities regulated under the Act. The fees were developed with input from the Certification Program Advisory Committee, the Small Systems Technical Assistance Center Advisory Board, the State Board for Certification of Water and Wastewater Systems Operators (Certification Board), the Water Utility Council and other members of the regulated community through a series of public meetings held in December 2008. The services provided under the Act are for the benefit of operators, owners, training providers and examination providers.. Accordingly, it is only fair that all beneficiaries of the services provided under the Act share equitably in recovering the costs of the administration of the Act.

FEE RELATED ACTIVITIES AND COSTS:

1. Initial certification, certification upgrade, reciprocity, certificate renewal

Activities: Department staff process applications for operator certification determining whether education, experience, Criminal History Record and examination score meet minimum requirements for certification. Where appropriate, a field investigation is carried out to assist in evaluating criminal activities as related to system operation and security. Fees are received, processed and appropriate eFACTS data input is provided. An operator certificate is mailed to the applicant after the Certification Board takes action to approve the application for certification. Department staff determines if applicant qualifies for certification renewal based on meeting the continuing education requirement. Applicant is mailed an application for renewal, listing the continuing education hours the Department has on record. The applicant completes the application, defining any additional training that was taken that the Department does not have a record and sends the application to the Department, with the appropriate fee for processing. If the continuing education requirement is met and the operator has paid the certificate renewal fees, the operator is sent a new certificate; if not, the applicant and appropriate employer are notified of the applicant's loss of operator certification status after the Certification Board takes action to deny the application for certificate renewal.

Level of effort: 580 applications for certification
3200 applications for certificate renewal
8 Certification Board Meetings annually
10 Criminal investigations annually

Cost: \$247,255 (FY2011)

2. Examination Delivery

Activities: Department staff, in accordance with Certification Board protocols and procedures, coordinates with approved examination providers (AEPs) to deliver certification examinations to approximately 1420 applicants annually. Department staff manage the examination question bank along with the review and validation of examinations, process applications for examination, coordinates selection of examination sites, prints examinations, delivers and proctors examinations, score the examinations, and sends final results to all applicants.

Level of effort: Process 40 applications for examination sessions
Collate examination packets for 1420 applicants
Deliver and proctor examinations
Score examinations and send results to examinees

Cost: \$ 56,650 (FY2011)

3. Technical Support

Activities: Department staff provides technical support to the administrative staff and compliance assistance to the regulated community. Central office Department staff direct and coordinate program implementation with the Department regional office staff to assure compliance with the legislation and regulations and provide the necessary training and testing opportunities in areas of the state where there is an identified need.

Level of effort: Provide technical assistance to aid administrative staff in the processing and qualification of 1000 applicants each year.
Prioritize certification compliance for each county in the state and coordinate program implementation with regional offices.
Coordinate and direct 40 training and testing efforts each year.
Provide one-on-one outreach assistance to 60 systems to insure compliance.
Develop training courses to facilitate effective system operation and regulatory compliance.
Process 5662 available operator forms

Cost: \$369,570

4. Training and Continuing Education

Activities: Department staff reviews and approves applications to become an approved training provider, applications for course approvals from approved training providers, applications from operators for post-presentation credit, processes roster reports from training providers and resolves discrepancies between the operators' and the approved training provider's records.

Level of Effort: Process 15 applications for training provider approval
Process 50 applications for full course approval
Process 250 applications for brief course approval
Process 131 applications for conference approval
Conduct 3 Training Program Audits
Process 160 discrepancy reports

Cost: \$93,903 (FY2011)

5. Course Development and Delivery

Activities: While most of the training and continuing education need is fulfilled through training providers, the need for training oriented around existing and new regulatory requirements is still done by the Department. Depending on the scope of training needed, the format for this training could be either classroom or web-based.

Level of Effort: Develop and Deliver 5 classroom courses per year

Develop and deliver 6 web-based courses per year
Maintain Earthwise Academy

Cost: \$187,806 (FY2011)

ANALYSIS: The proposed fee structure was developed with a significant amount of discussion with the Certification Board, CPAC and TAC. The average cost to the operator to obtain an operator certificate is going to increase from \$20 to approximately \$325. When these fees were first evaluated in 2004, projections indicated that this significant increase would be sufficient to cover program costs. However, the original costs for developing and implementing the training and continuing education components of this program were significantly underestimated. This includes the costs for staff time to approve different entities as a provider of training courses, review the different courses and conferences the providers want to deliver, the processing of the rosters to ensure the operators get credit for completion of a course and the resolution of discrepancies between Department training records and the operator's. It also includes costs to the Department for providing compliance assistance to operators and owners and the development of additional training courses. To facilitate the resolution of this issue, the Department met with TAC, CPAC and the Certification Board on December 1, 2 and 15, 2008 respectively. A letter was also sent to all the approved Training Providers inviting them to these meetings to provide input. At all three meetings there was some level of consensus that everyone should pay their fair share of the fees to support the program, based on the costs incurred by the Department to administer each component of the program. The final proposed fee structure summarized in Table 1 was developed based on the input received.

RECOMMENDATION AND COMMENT:

As the result of the Department's efforts to make the program self-sufficient, a "value added analysis" was conducted on all program activities in 2004. This analysis resulted in cutting costs of program administration by 39%. Significant reductions in program costs are also planned through the finalization of revisions to the data management systems used to administer the program and the elimination of a contract with the Association of Boards of Certification for the management of the examination question bank and the scoring of examinee score sheets.

In order to also cut down on staff time processing post-presentation credit applications and to encourage operators to make sure the training they complete is approved by the Department ahead of time, a fee for the processing of the application for post-presentation credit is also proposed. Since the goal behind this fee is to decrease the number of these applications, the income generated from the collection of this fee was not included in this fee analysis.

It is recommended that this fee proposal move forward as summarized in Table 1.