



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**18 VAC 160-20 – Board of Waterworks and Wastewater Works Operators Regulations**  
**Department of Professional and Occupational Regulation**  
March 5, 2006

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### **Summary of the Proposed Regulation**

The Board for Waterworks and Wastewater Works Facilities Operators (board) proposes to amend its regulations to accommodate electronic competency examinations for its regulants.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes encompassed by this regulatory action.

### **Estimated Economic Impact**

Currently, individuals who seek to be licensed as waterworks operators or wastewater works operators must apply at least 60 days before a paper examination which, by regulatory mandate, is scheduled by the board at least twice annually. Because any examination is only given twice or, at most, three times a year, applicants are able to take the exam if they have met all educational and experience requirements or if they will meet these requirements within three months of the examination. An applicant may not apply for and receive his license until he has passed the relevant examination and gained all required education and experience. Currently, applicants who do not pass the competency exam may take it again no more than two times within two years. If an applicant either fails his exam two more times within two years or allows two years to elapse without retaking his exam the allowed number of times, he would have to submit a new application for examination, and pay the requisite fee, before being allowed to re-test. Applicants currently complete a single application for both examination and licensure. This application goes to the board and must be accompanied by a \$100 licensing fee and a \$48.15 fee for testing.

The proposed regulation institutes rules that are more sensible given that the Department of Professional and Occupational Regulation (DPOR) has replaced paper examinations with electronic examinations that can be given any time with little advanced notice from the testing applicant. Going forward, regulants will submit a test application and fee directly to the testing vendor. The \$84 test fee is slightly higher than the \$48 that applicants have been paying; the board reports, however, that applicants feel the added convenience of the new testing system is worth the additional amount paid for testing. Examinations will be by appointment and may be scheduled at the convenience of the applicant and in as few as seven days after application. Testers who fail may retake their examination as many times as they like within a one year period.

The board feels it is appropriate to halve the time frame within which failed tests may be retaken because applicants may take a test many more times in a year than they would have been able to under the old testing scheme. These provisions will allow regulants to take examinations at a time that is more convenient to them and may even allow them to begin working in their chosen field more quickly. Given that, these provisions are likely to provide a net benefit for regulants.

The board also proposes to eliminate the provision of this regulation that allowed applicants who had not completed educational or experience requirements to sit for examinations. Again, the board feels that greatly increasing examination opportunities eliminate the need for this provision. Given the new testing system, this regulatory provision is not likely to harm regulants.

Under provisions of the proposed regulation, regulants who pass their examinations will receive a separate application for licensure which they will submit to the board along with the fee for licensure. This fee is unchanged at \$100. Although separate applications for testing and licensure may represent a slight inconvenience for regulants, this system will insure that the board is only considering license applications for those individuals who meet all requirements for licensure. This should ensure that those who are eventually licensed by the board are, indeed, qualified.

## **Businesses and Entities Affected**

The board currently regulates approximately 5,400 waterworks and wastewater works operators; the board reports that most of these individuals work for municipal governments or public entities charged with supplying water and sewage treatment services.

## **Localities Particularly Affected**

The proposed regulation will affect all localities in the Commonwealth.

## **Projected Impact on Employment**

The proposed regulation will allow regulants to become licensed more expeditiously and, so, will allow them to begin work in their chosen field sooner. Total employment for waterworks operators and wastewater works operators is unlikely to be affected, however.

## **Effects on the Use and Value of Private Property**

To the extent that the proposed regulation allows regulants to begin work in their chosen field more quickly, their lifetime earnings may increase by some marginal amount. The proposed regulation is unlikely to affect the use and value of private property in any other way.

## **Small Businesses: Costs and Other Effects**

The board reports that most, if not all, of its regulated entities work in the public sector.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

This proposed regulation allows regulants to take competency exams more frequently and at times that are individually more convenient.

## **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.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H 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.H 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 regulation. The analysis presented above represents DPB's best estimate of these economic impacts.