



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 160-20 – Board of Waterworks and Wastewater Works Operators Regulations
Department of Professional and Occupational Regulation
October 10, 2008

Summary of the Proposed Amendments to Regulation

Pursuant to §54.1-2301 of the Code of Virginia, The Board of Waterworks and Wastewater Works Operators and Onsite Sewer System Professionals (Board) proposes to establish programs for the licensure of onsite sewage system installers, onsite sewage system operators and onsite soil evaluators.

Result of Analysis

There is insufficient information to determine whether benefits will outweigh costs for these proposed regulatory changes. Estimated costs and benefits are discussed below.

Estimated Economic Impact

Historically, onsite sewage system installers and operators have not had to be licensed in the Commonwealth. During its 2008 session, the General Assembly passed legislation requiring licensure for these occupations and tasked the Board of Waterworks and Wastewater Works Operators (Board) with writing regulations for these license programs. The Board proposes to amend its regulations to set interim license and license requirements for these occupations. Under these proposed regulations, the Board will issue interim onsite sewage system installer and operator licenses to individuals who have:

- Filed an application within 12 months of the effective date of these regulatory amendments and paid the application fee (\$100),
- Passed the appropriate Board approved exam (approximately \$84) and
- Provided the Board with a physical home address.

Applicants for interim licensure must also be in good standing in their field of practice and must not have been convicted of a misdemeanor involving lying, cheating or stealing or of any misdemeanor related to their field of practice.

Additionally, in order to qualify for interim licensure, conventional onsite sewage system installers and alternate onsite sewage system installers must have six months of full-time experience working with a firm that has a VDH issued sewage handling and disposal permit. Conventional onsite sewage system operators and alternate onsite sewage system operators must have 12 months of full-time experience working as operators. Interim licenses issued under these proposed regulations will be valid for 24 months and cannot be renewed.

These interim licensure requirements will allow some individuals who currently work as onsite sewage installers or operators, but who do not meet requirements for non-interim licensure, to continue working in their current jobs. Onsite sewage system installers who have worked for less than six months (operators who have worked for less than 12 months) and also do not meet any of the requirements for non-interim licensure will not be able to obtain a license until they can fulfill those requirements. The number of individuals who are adversely affected in this way is likely to be small since requirements for conventional licensure in these fields (discussed below) are not exceedingly onerous.

In order to obtain a (non-interim) license, applicants for licensure as conventional onsite sewage system installers must pass a Board approved exam and have either:

- Two years experience (in the four years immediately preceding application for licensure) installing onsite sewage systems under the direction of a licensed sewage disposal system contractor or
- Certification of work competency from three onsite soil evaluators or professional engineers.

Applicants for licensure as alternative onsite sewage system installers will have to pass the Board approved exam and must have proof of one of the following:

- The applicant must have installed 36 onsite sewage systems during the three years immediately preceding application. Of the 36 systems installed, six must have been alternate systems and three must have had something other than a gravity subsurface drainfield.

- The applicant must have installed 12 alternate onsite sewage systems **before the effective date of these proposed regulations**, six of these systems must have had something other than a gravity subsurface drainfield. This option will become obsolete if the bolded language above remains in the regulation as it will not allow work done after the effective date of these proposed regulations to be counted toward experience requirements.

Applicants for licensure as conventional onsite sewage system operators will have to pass the Board approved exam and must have:

- A high school diploma or GED or
- One year of full-time experience working as a sewage handler or one year of full-time work under the direct supervision of a licensed conventional or alternate onsite sewage system operator.

Applicants for licensure as alternative onsite sewage system operators will have to pass the Board approved exam and must have one of the following:

- A high school diploma or GED and 12 months experience working full-time under the direct supervision of a licensed alternate onsite sewage system operator,
- 24 months experience working full-time under the direct supervision of a licensed alternate onsite sewage system operator or
- A valid Class 4 or higher wastewater works operator license and proof of successful completion of a Board approved training course or six months of experience working full-time under the direct supervision of a licensed alternate onsite sewage system operator.

Licenses for onsite sewage system installers and operators are valid for 24 months. Conventional onsite sewage system installers and operators must complete 10 hours of continuing education, and alternative onsite sewage system installers and operators must complete 20 hours of continuing education, during each biennial renewal cycle. The license renewal fee for all licensees is \$80.

The costs of requiring licensure for onsite sewage system installers and operators include the cost of education obtained (tuition, fees and wages forgone), license and exam fees, the value of time spent studying for and completing the required exams, the value of time spent completing required continuing education and any wages lost by individuals who had to stop working at

these jobs until they could meet licensure requirements. These costs can be weighed against the benefit of possibly decreasing any health problems that may arise from improperly installed or maintained sewage systems.

Currently, onsite soil evaluators are licensed by the Virginia Department of Health (VDH). In order to be licensed (by VDH) as an authorized onsite soil evaluator(AOSE), individuals had to fill out an application, pay a \$100 application fee, pass the required exam, provide three professional references and meet one of the various requirements for education/experience. An applicant for licensure must have:

- A current certificate as a Virginia Certified Professional Soil Scientist or
- A four year degree in a subject related to the area of licensure (such as science or engineering), four years of full-time experience and a certificate of completion for a VDH approved training course or
- A two or four year degree, six years of full-time experience, a certificate of completion for a VDH approved training course and a written statement from a current or former supervisor or AOSE stating that the applicant is sufficiently experienced to be licensed or
- Eight years of full-time experience, a certificate of completion for a VDH approved training course and a written statement from a current or former supervisor or AOSE stating that the applicant is sufficiently experienced to be licensed.

Chapter 892 of the 2007 Acts of the Assembly required the Board, in consultation with VDH, to adopt regulations for onsite soil evaluators. The Board has amended its regulations to add requirements for interim licensure of onsite soil evaluators and for (non-interim) licensure of conventional and alternative onsite soil evaluators. Individuals who already have been licensed as soil evaluators by VDH may apply for an interim license (\$100 fee) within six months of the effective date of these proposed regulations. Interim licenses will expire 36 months after they are issued and are not renewable. Individuals who do not qualify for interim licensure may apply for licensure as either a conventional onsite soil evaluator or as an alternative onsite soil evaluator.

An applicant for licensure as a conventional onsite soil evaluator (\$100 fee) must have a valid interim onsite soil evaluator license or pass a Board approved exam (cost ~\$84) and have one of the following:

- A current certificate as a Virginia Certified Professional Soil Scientist and one year of full-time onsite soil evaluation experience,
- A four year degree in soil science, biology, chemistry, engineering or environmental science and two years of supervised full-time onsite soil evaluation experience ,
- A two year degree in waterworks, wastewater works, engineering technology or environmental science and three years of supervised full-time onsite soil evaluation experience or
- Eight years of supervised full-time onsite soil evaluation experience.

An applicant for licensure as an alternative onsite soil evaluator (\$100 fee) must have a valid interim onsite soil evaluator license or pass a Board approved exam (cost ~\$84) and have one of the following:

- Two years of full-time supervised experience in evaluating and designing onsite sewage systems obtained in the four years immediately preceding application,
- Three years of supervised full-time experience as a VDH certified AOSE and evidence of completed work on at least 36 onsite sewage systems (12 of these must be alternative systems) or
- Four years of full-time experience as a licensed conventional onsite soil evaluator.

Licenses for onsite soil evaluators are valid for 24 months before they must be renewed. Conventional onsite soil evaluators must complete 10 hours of continuing education, and alternative onsite soil evaluators must complete 20 hours of continuing education, during each biennial renewal cycle. The license renewal fee for all licensees is \$80.

The costs of licensure for onsite soil evaluators include the cost of education obtained for licensure (tuition, fees and wages forgone), license and exam fees, the value of time spent studying for and completing the required exams, the value of time spent completing required continuing education and any wages lost from wage differentials between licensed individuals and supervised workers for years spent working to meet licensure requirements. These costs can be weighed against the benefit of possibly decreasing any health problems that may arise from improperly placed sewage systems. The costs for licensure can likely be further minimized by reducing the eight years of experience required to obtain licensure as an onsite soil evaluator

without a degree. This requirement seems to be dictated by tradition rather than any evidence that it takes the better part of a decade working in this field to assure competency.

Businesses and Entities Affected

The Department of Professional and Occupational Regulation (DPOR) reports that VDH currently licenses approximately 200 onsite soil evaluators. These individuals, plus all individuals who work as onsite sewage system installers or operators, will be affected by these proposed regulations.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

To the extent that these proposed regulations, and their authorizing legislation, increase the cost of entry into these fields, the number of individuals who choose to work as soil evaluators, sewage system installers and sewage system operators is likely to decrease.

Effects on the Use and Value of Private Property

To the extent that these proposed regulations increase costs for affected individuals or firms, business profits may be reduced. If this occurs, the value of these businesses will likely be reduced.

Small Businesses: Costs and Other Effects

Most, if not all, of the individuals and firms that will be affected by these proposed regulations qualify as small businesses. Accordingly, all cost discussed above will affect small businesses in the Commonwealth.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The costs for onsite soil evaluator licensure can likely be further minimized by reducing the eight years of experience required to obtain licensure as an onsite soil evaluator without a degree. This requirement seems to be dictated by tradition rather than any evidence that it takes the better part of a decade working in this field to assure competency.

Real Estate Development Costs

This regulatory action will likely increase real estate development costs in the Commonwealth as the cost of installing sewage systems increase to account for the higher costs of becoming a sewage system installer or operator.

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 36 (06). 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.