

Office of Regulatory Management

Economic Review Form

Agency name	Board for Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC160-40
VAC Chapter title(s)	Onsite Sewage System Professionals Licensing Regulations (160-40)
Action title	2021 Fee Adjustment
Date this document prepared	

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated

entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Note that the fee increase is expected to be effective in FY25 or year 2 of the cost-benefit analysis. • Reduction of application fee for initial licensure as a waterworks operator or wastewater works operator. <p style="margin-left: 20px;">Direct Costs: DPOR will receive \$15 less per application due to the reduction of the application fee for an initial license from \$100 to \$85. Based on 174 applications per year, this change costs the agency \$2,610 per year. There are no other direct costs.</p> <p style="margin-left: 20px;">Direct Benefits: Applicants will receive a benefit of \$15 due to the reduction of the application fee for an initial license from \$100 to \$85. For all applicants, based on 174 applications per year, the total benefit is \$2,610 per year. There is no other direct benefit resulting from the change.</p> <ul style="list-style-type: none"> • Increase of application fee for license renewal as a waterworks operator or wastewater works operator. <p style="margin-left: 20px;">Direct Costs: Licensees will be charged an additional \$25 at the time of renewal, which occurs every two years, based on the renewal fee change from \$80 to \$105. There are on average 640 renewals annually, for a total cost of \$16,000. There are no other direct costs.</p> <p style="margin-left: 20px;">Direct Benefits: DPOR will receive \$25 more per renewal due to the increase of the renewal fee from \$80 to \$105. Based on the average of 640 renewals annually, the total benefit to DPOR is \$16,000. There is no other direct benefit resulting from the change.</p> <ul style="list-style-type: none"> • Increase of fee for reinstatement of a waterworks operator or wastewater works operator license. <p style="margin-left: 20px;">Direct Costs: Licensees will be charged an additional \$10 at the time of reinstatement based on the reinstatement fee change from \$25 to \$35. There are on average 2 reinstatements annually, for a total cost of \$20. There are no other direct costs.</p>
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	Direct Benefits: DPOR will receive \$10 more per reinstatement due to the increase of the reinstatement fee from \$25 to \$35. Based on the average of 2 reinstatements annually, the total benefit to DPOR is \$20. There is no other direct benefit resulting from the change.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$149,040	(c) \$126,968	
Direct Benefits	(b) \$149,040	(d) \$126,968	
(3) Benefits-Costs Ratio	1	(4) Net Benefit	\$0
(5) Indirect Costs & Benefits	<p><u>Indirect Costs:</u> Indirect costs of the regulation are not anticipated to be impacted as a result of this regulatory change.</p> <p><u>Indirect Benefits:</u> The regulatory change will indirectly benefit DPOR because the Board will have sufficient revenue to cover the Board expenses without having to reduce services, obtain a Treasury loan, or obtain general funds. Otherwise, indirect benefits of the regulation are not anticipated to be impacted as a result of this regulatory change.</p>		
(6) Information Sources	Data used in this analysis is derived from the Revenue projections and fee analysis conducted by the budget section of DPOR. Number of applicants and the number of licensee renewals are based on historic trends, expected renewal rates, and any predicted changes in the professions that may affect volumes.		
(7) Optional			

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.

(1) Direct Costs & Benefits	If the fee increases and decreases do not occur, there are no direct costs or benefits.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	

Direct Costs	(a) \$0	(c) \$0
Direct Benefits	(b) \$0	(d) \$0
(3) Benefits-Costs Ratio	0	(4) Net Benefit \$0
(5) Indirect Costs & Benefits	<p><u>Indirect Costs</u></p> <p>Indirect costs include, as applicable:</p> <ul style="list-style-type: none"> • Administrative costs to submit license renewal. <p>If no change is made, indirect costs to the public could include:</p> <ul style="list-style-type: none"> • Reduction of services to the public, including delays in the processing of license applications, which may affect the ability of individuals to obtain employment for which the occupational license is required. • Supplement agency activities with general funds, which could (i) reduce available funds for other government services funded with general fund revenues; or (ii) create a need for additional general fund revenues to make up for the shortfall. • Obtain a Treasury loan to fund agency operations, which would likely lead to the need for additional revenues to the agency to repay the loan. 	
(6) Information Sources		
(7) Optional		

Table 1c: Costs and Benefits under an Alternative Approach

This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • Note that the fee increase is expected to be effective in FY25 or year 2 of the cost-benefit analysis.
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	<ul style="list-style-type: none"> No change in the application fee for initial licensure as a waterworks operator or wastewater works operator. Direct Costs: Application fee for an initial license remains \$100 resulting in no direct costs to applicants Other direct costs are unchanged. Direct Benefits: None. Increase of application fee for license renewal as a waterworks operator or wastewater works operator. Direct Costs: Licensees will be charged an additional \$20 at the time of renewal, which occurs every two years, based on the renewal fee change from \$80 to \$100. There are on average 640 renewals annually, for a total cost of \$12,800. There are no other direct costs. Direct Benefits: DPOR will receive \$20 more per renewal due to the increase of the renewal fee from \$80 to \$100. Based on the average of 640 renewals annually, the total benefit to DPOR is \$12,800. There is no other direct benefit resulting from the change. Increase of fee for reinstatement of a waterworks operator or wastewater works operator license. Direct Costs: Licensees will be charged an additional \$10 at the time of reinstatement based on the reinstatement fee change from \$25 to \$35. There are on average 2 reinstatements annually, for a total cost of \$20. There are no other direct costs. Direct Benefits: DPOR will receive \$10 more per reinstatement due to the increase of the reinstatement fee from \$25 to \$35. Based on the average of 2 reinstatements annually, the total benefit to DPOR is \$20. There is no other direct benefit resulting from the change.
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(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) \$102,560	(c) \$87,371	
Direct Benefits	(b) \$102,560	(d) \$87,371	
(3) Benefits-Costs Ratio	1.0	(4) Net Benefit	\$0

(5) Indirect Costs & Benefits	<p><u>Indirect Costs:</u> Indirect costs of the regulation are not anticipated to be impacted as a result of this regulatory change.</p> <p><u>Indirect Benefits:</u> The regulatory change will indirectly benefit DPOR because the Board will have sufficient revenue to cover the Board expenses without having to reduce services, obtain a Treasury loan, or obtain general funds. Otherwise, indirect benefits of the regulation are not anticipated to be impacted as a result of this regulatory change.</p>
(6) Information Sources	<p>Data used in this analysis is derived from the Revenue projections and fee analysis conducted by the budget section of DPOR. Number of applicants and the number of licensee renewals are based on historic trends, expected renewal rates, and any predicted changes in the professions that may affect volumes.</p>
(7) Optional	

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	<p>No direct impact to local partners is anticipated as a result of the regulatory change. The licensure regulation does not impose direct costs on local</p>
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	government entities, and local government entities receive no direct benefits.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) N/A
Direct Benefits	(b) N/A
(3) Indirect Costs & Benefits	<p>Local government entities that choose to assume the license application fee costs for their employees to obtain and maintain waterworks or wastewater works operator licenses may be indirectly impacted as a result of the change. Such entities could either (i) absorb the additional costs; (ii) pass along the costs in the form of increased service fees to the public; or (iii) no longer pay for employees' licenses.</p> <p>There are no apparent indirect benefits to local government entities resulting from the regulatory change.</p>
(4) Information Sources	N/A
(5) Assistance	N/A
(6) Optional	N/A

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.

- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	No direct impact to families is anticipated as a result of the regulatory change. The licensure regulation does not impose direct costs on families, and families receive no direct benefits.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) N/A
Direct Benefits	(b) N/A
(3) Indirect Costs & Benefits	No indirect impact to families is anticipated as a result of the regulatory change.
(4) Information Sources	N/A
(5) Optional	N/A

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.

- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	Licenses for waterworks and wastewater works operators, and for onsite sewage system professionals are issued to individuals, and not to business entities. There are no direct impacts on small businesses.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) N/A
Direct Benefits	(b) N/A
(3) Indirect Costs & Benefits	Individuals who are licensed may be owners or employees of business entities that meet the definition of "small business" in § 2.2-4007.1 of the Code of Virginia. To the extent such business entities assume the costs for obtaining or maintaining a license, these entities would be indirectly affected.
(4) Alternatives	N/A
(5) Information Sources	N/A
(6) Optional	N/A

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is

adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Table 5: Total Number of Requirements

	Number of Requirements			
Chapter number	Initial Count	Additions	Subtractions	Net Change
18VAC160-30	90	0	0	0