

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date 8/4/2021
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) <ul style="list-style-type: none"> • NR 114 – Certification Requirements for Waterworks, Wastewater Treatment Plant, Septage Servicing and Water System Operators • NR 146 – Water Well Driller, Heat Exchange Driller, and Pump Installer Licensing and Registration; Drilling Rig Operator License • NR 520 – Solid Waste Management Fees And Financial Responsibility Requirements • NR 524 – Training and Certification Requirements for Solid Waste Disposal Facility Operators 	
4. Subject Third party administration of operator certification examinations. Board Order WY-27-20	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected 20.370(4)(b) - 42600
7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$125,000 to \$135,000 per year	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule The proposed rule revisions update the examination requirements found in chs. NR 114, 146, 520, and 524, Wis. Adm. Code, to allow for third party administration of online examinations. Sections NR 114.05(2), 114.19(2), 114.33(3), and 114.54(2), Wis. Adm. Code, all currently state that the department shall administer in-person examinations for activities related to waterworks, water systems, wastewater treatment plants, and septage servicing operators at least twice annually at multiple locations throughout Wisconsin. Chapter NR 146, Wis. Adm. Code, which is dedicated to water well drillers, heat exchange drillers and pump installer licensing and registration, requires these professionals to pass an exam administered by the department (ss. NR 146.04(2)(i), (3)(c), and (9)(b), Wis. Adm. Code). Section NR 520.04(6) specifies the fees for written exams taken by landfill facility managers and site operators. Section NR 524.08(3), Wis. Adm. Code, requires landfill operators to pass an exam administered by the department. The proposed administrative code provisions allow for a third-party organization to provide online exams to meet the needs of all these professions. The policy problem was initially highlighted by the COVID-19 pandemic. Post-pandemic, however, these rule changes will continue to allow greater flexibility in meeting exam requirements.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. Municipal wastewater and drinking water facilities and their operators, water well drillers, heat exchange drillers, pump installers, landfills and their operators, septage businesses and septage haulers, incinerator operators. Associations: WI Wastewater Operators Association, WI Rural Water Association, Municipal Environmental Group, WI	

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Liquid Waste Carriers Association, Wisconsin Counties Association.

13. Identify the Local Governmental Units that Participated in the Development of this EIA.
Local government units will be given the opportunity to participate in the development of the EIA during the EIA comment solicitation period.

14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The department administers approximately 3,000 exams to 1,500 individuals each year. The proposed rule change would allow the department to contract with a third-party organization to proctor those exams and charge fees to cover the cost of providing any examination as allowed under its contract with the department. The department has executed a contract with the Association of Boards of Certification (ABC) to administer exams at a cost of \$70 for a one-hour session, \$80 for two hours, and \$90 for 3 hours. Most exams can be completed in one hour. However, exams for water well drillers, heat exchange drillers, and pump installers can typically take up to three hours, so they would likely need to pay for the \$90 session. There are approximately 140 individuals who take these longer exams each year. On average we anticipate that 500 individuals will register for the one-hour session to take one exam, 1,000 individuals will sign up for the two-hour session to take two or three exams, and 140 individuals will take the three-hour exam each year.

The combined statewide cost increase for exams would be approximately \$128,000. However, there would be some savings in travel costs with an increase in the number of testing sites.

Fiscal Impact and Impact on State Economy

The department does not anticipate that this rule will impact the state's economy adversely. The department costs will increase to pay for the annual maintenance of the exams. The estimated fiscal impact of this rule is \$16,750 for the initial implementation cost and then \$6,750 annually for maintenance of the exams. The department can absorb these costs into its current budget. There will be department savings due to a reduction in staff time required to proctor exams.

Impacts on Local Governmental Units

Approximately 90% of exams are taken by wastewater and drinking water operators each year. The majority of exam fees are paid or reimbursed by the utility (both private and municipalities owned entities). We anticipate that the majority of the total compliance cost estimated for this rule can be attributed to local government units and municipalities. Local governmental units will be given the opportunity to participate in the final EIA.

Impacts on Public Utility Rate Payers

The department does not anticipate this rule to impact public utility rate payers adversely.

Impact on Small Businesses

The department anticipates that the following entities regulated under this rule are small businesses:

- Septage servicing businesses – an average of 150 operators take exams annually.
- Well Drillers, Pump Installers, Heat Exchange Drillers – an average of 140 individuals take this exam annually.
- Landfills and Incinerators – an average of 20 new operators take this exam annually.

The total small business impact is estimated to be a maximum \$24,500 annually. A detailed assessment of this impact is present in attachment A (attached to this analysis).

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15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The rule changes will increase flexibility and accessibility by allowing individuals to take exams at their convenience, instead of in large group settings offered only a couple of times per year in limited locations. The number of testing sites will expand, making travel easier. Individuals who fail an exam will be able to retake an exam more quickly. The department will offer some in-person exams, but only on a limited basis as determined by need.

The alternative to this rule is to use department resources to develop its own platform for providing online exams. IT resources would have to be contracted to develop an online platform. Since the technology currently exists with non-government entities, it will be more cost effective to contract for online testing services.

Another alternative is to make no changes to the rule and continue to offer two in-person exam sessions at six locations per year. However, any future health emergency would limit access at some testing sites and be a hardship to small businesses and municipalities. It is paramount that this workforce remains current and properly licensed to ensure proper operation of the essential services they provide for the citizens of Wisconsin.

16. Long Range Implications of Implementing the Rule

The convenience of being able to take an exam as needed to earn a professional certification may lead to an increase in operators, which are currently in high demand.

17. Compare With Approaches Being Used by Federal Government

The federal government does not offer these certifications.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Iowa is offering online exams for landfill operators, in place of written exams during the pandemic. Ohio and Indiana routinely offer online exams for all wastewater and drinking water operators.

19. Contact Name	20. Contact Phone Number
Steve Geis	608-572-2752

This document can be made available in alternate formats to individuals with disabilities upon request.

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

Septage Servicing Businesses – an average of 150 operators take exams annually. The cumulative maximum annual cost increase for this business sector will be approximately \$10,500 (150 exams X \$70/one-hour exam session).

Well Drillers, Pump Installers, Heat Exchange Drillers – an average of 140 individuals take this exam annually. The cumulative maximum annual cost increase for this business sector will be approximately \$12,600 (140 exams X \$90/three-hour exam session).

Landfills and Incinerators – an average of 20 new operators take this exam annually. The cumulative maximum annual cost increase for this business sector will be approximately \$1,400 (20 exams X \$70/one-hour exam session).

The total maximum small business impact is estimated to be \$24,500 annually.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses
Department records of current license holders.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe: The department considered developing its own online exam platform, however, the time line and resources to create this were not considered to be practical, leading to a negative impact to small businesses and municipalities.

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

The rule change will make it possible to take exams throughout the year, allowing businesses more flexibility for scheduling. The department will continue to offer in-person exams proctored by department staff on a limited basis as determined by need.

5. Describe the Rule's Enforcement Provisions

These rules address certification requirements. Enforcement involves the suspension or revocation of a license as outlined in ss. NR 114.14, 114.24, 114.37, and 114.59; s. NR 146.09; and s. NR 524.14, Wis. Adm. Code. The proposed rule revisions would amend the enforcement provisions to encompass both in-person and online examinations.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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