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FISCAL NOTE

Drafting Number: LLS 20-0507 **Date:** February 11, 2020
Prime Sponsors: Rep. Valdez A.; Froelich **Bill Status:** House Energy & Environment
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Bill Topic: **SUNSET WATER WASTEWATER FACILITY OPERATORS CERT BD**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Sunset bill. This bill continues the Water and Wastewater Facility Operators Certification Board in the Department of Public Health and Environment, which is scheduled to repeal on September 1, 2020. State fiscal impacts include a new General Fund diversion as well as the continuation of the board's current expenditures. The board is continued through September 1, 2031.

Appropriation Summary: The bill requires an appropriation of \$24,815 to the Department of Public Health and Environment.

Fiscal Note Status: The fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 20-1215***

New Impacts		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Federal Funds	-	(\$24,815)
	Cash Funds	-	\$24,815
	Total	\$0	\$0
Diversions	General Fund	(\$24,815)	(\$24,815)
	Cash Funds	\$24,815	\$24,815
	Total	\$0	\$0
TABOR Refund		-	-
Continuing Program Impacts		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Federal Funds	-	\$27,785
TABOR Refund		-	-

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

This bill implements the recommendations of the sunset review of the Water and Wastewater Facility Operators Certification Board in the Department of Public Health and Environment (CDPHE). The recommendations include continuing the board through September 1, 2031. The board is currently scheduled to repeal on September 1, 2020. Other recommendations include:

- excluding on-site wastewater treatment systems with a design capacity of 2,000 gallons or less per day, from the definition of domestic wastewater treatment facility, unless the system discharges directly to surface water;
- repealing the exclusion of facilities designed to operate for less than one year or facilities with in-situ discharge from the definition of industrial wastewater treatment facility; and
- creating the Water and Wastewater Facility Operators Fund and diverting \$5.00 per certification from the General Fund to the new cash fund.

Background

The Water and Wastewater Facility Operators Certification Board is a ten-member board appointed by the Governor. It typically meets six times per year. The board promulgates rules that establish the requirements for the certification of operators, including application requirements and procedures, minimum standards for operator performance, and standards for the accreditation of training programs. It establishes the appropriate level of operator certification for the operator in responsible charge in each class of facility. It is also responsible for disciplinary action against certified operators. It contracts with a nonprofit to administer the certification program which includes fee collection. The Water Quality Control Division in the CDPHE is responsible for ensuring facilities have the appropriate level of operator and investigates complaints against certified operators.

Continuing Program Impacts

Based on the department's FY 2020-21 budget request, the CDPHE is expected to have expenditures of \$27,785 to administer the Water and Wastewater Operator Certification Board. If this bill is enacted, current expenditures will continue for the program starting in FY 2021-22. If this bill is not enacted, the program will end on September 1, 2021, following a wind-down period, and state expenditures will decrease starting in FY 2021-22 by the amounts shown in Table 1. The change to the program that diverts General Fund revenue is discussed in the State Diversion section below.

State Diversion

Under current law, \$5.00 of every certification fee is deposited into the General Fund. This bill diverts those funds to the Water and Wastewater Facility Operators Fund which are estimated at \$24,815 per year based on 4,963 certifications.

Expenditures

The Water and Wastewater Facility Operators Certification Board is currently funded with federal grant funds. Going forward, cash funds from the Water and Wastewater Facility Operators Fund will be used instead of the federal funds.

Effective Date

The bill takes effect September 1, 2020, if no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires an appropriation of \$24,815 to the Department of Public Health and Environment from the Water and Wastewater Facility Operators Fund.

State and Local Government Contacts

Counties Public Health and Environment