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FISCAL IMPACT REPORT

SPONSOR Anderson/Madrid **ORIGINAL DATE** 01/27/21
LAST UPDATED 02/17/21 **HB** 103/aHSEIC
SHORT TITLE Utility Operator Certification Act Changes **SB** _____
ANALYST Hanika-Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		
\$0.0	\$179.0	\$179.0	Recurring	Public water supply system operator and public wastewater facility operator fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environment Department (NMED)

SUMMARY

Synopsis of HSEIC Amendment

The House State Government, Elections and Indian Affairs Committee amendment to House Bill 103 makes clarifying changes with regards to application deadlines, fees and late penalty provisions.

Synopsis of Original Bill

HB103 adjusts fees in the Utility Operator Certification Act for certification testing and renewal application reviews, equivalency application reviews, examination reviews, and certification examinations. Additionally, HB103 provides definitions for services provided by the NMED utility operator certification program (UOCP). Finally, HB103 provides authority to the Water Quality Control Commission (WQCC) to adjust utility operator certification fees in the future.

The effective date of this bill is July 1, 2021.

FISCAL IMPLICATIONS

HB103 amends the 1973 Utility Operator Certification Act which ensures drinking water and wastewater utility operators are certified to New Mexico standards. These utility operators are essential public health workers who are required to obtain professional certification to ensure that local utilities protect the public and natural resources. HB103 is expected to enhance and modernize the way NMED facilitates about 3,000 certifications for 1,500 utility operators.

NMED reports the 2005 amendments to the Act established limits to fees charged for utility operator certifications, renewals, and endorsements. Over the past 15 years, the cost of providing training, testing, and certification has significantly increased and the current fees no longer support the program. HB103 increases UOCP fees to cover current costs for required exam application reviews, operator online exam administration, certification renewal application reviews, and certification equivalency reviews. (See Table 1) The fee adjustments will enable NMED to offer computer-based examinations to drinking water and wastewater operators, a new service launched in 2020, while keeping fees competitive with other states and professional licenses. NMED anticipates the fee increase will generate \$179 thousand dollars annually to cover costs associated with program administration, such as computer-based exam services.

From FY17 through FY20, NMED received an average of \$72,971 in annual revenue from utility operator fees and spent an average of over \$250 thousand annually to cover programmatic costs.

Table 1: Overview of Current and Proposed UOCP Fees

Type	Current	Proposed in HB103
Exam Fee	\$25-30	\$60
Certification Renewal Fee	\$25-30	\$50
Equivalency Fee	\$30	\$50
Monthly Late Fee for Certification Renewal	\$10	\$25
Exam Application Review Fee (to ensure operators qualify for selected exam)	N/A	\$25
Optional Examination Reviews (to assist operators who have failed past exam)	N/A	\$25

SIGNIFICANT ISSUES

Utility operators provide essential services for the state’s community water and wastewater treatment plants. These essential workers help provide a safe and reliable source of drinking water to over 1.9 million New Mexicans and are required to take exams to obtain certification.

In response to the Covid-19 pandemic, in coordination with the New Mexico Department of Workforce Solutions, NMED began offering computer-based examination sessions that complied with the state’s public health orders. The current fees for certification exams do not cover the full cost of the online exams provided by NMED’s testing provider. NMED is currently using non-recurring federal grant dollars to temporarily cover the cost of these computer-based exams.

Enacting HB103 means that NMED will be able to continue to provide computer-based exams at up to 22 convenient DWS locations. Nearly all operators will have a testing center within 90 miles or less from where they live and work and be able to schedule their exam “on demand,” as opposed to waiting months for the next classroom testing session. NMED will also be able to use the additional revenue to further improve the quality of examination and curriculum materials.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Public health outcomes for water and wastewater utilities may be affected due to inadequate testing and training opportunities for utility operators providing essential services.

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