

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB769

House of Origin Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. Patron: Hodges

3. Committee: Health, Welfare and Institutions

4. Title: Department of Health; onsite sewage system pump-out oversight; certain localities.

5. Summary: Requires the Department of Health, effective July 1, 2023, to manage and enforce onsite sewage system pump-out compliance for Accomack, Essex, Gloucester, King and Queen, King William, Lancaster, Mathews, Middlesex, Northampton, Northumberland, Richmond, and Westmoreland Counties and the incorporated towns within those counties. The bill requires licensed operators conducting onsite sewage system pump-outs that are managed by the Department in these localities to provide a report on the results of the site visit using a web-based reporting system developed by the Department.

6. Budget Amendment Necessary: No, general fund appropriation was provided in the introduced bill.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2023 | \$1,038,601 | 7 | 01000 |
| 2024 | \$1,013,720 | 7 | 01000 |
| 2025 | \$1,013,720 | 7 | 01000 |
| 2026 | \$1,013,720 | 7 | 01000 |
| 2027 | \$1,013,720 | 7 | 01000 |
| 2028 | \$1,013,720 | 7 | 01000 |
| 2029 | \$1,013,720 | 7 | 01000 |

8. Fiscal Implications: The provisions of the bill would require the Virginia Department of Health to manage and enforce septic tank pump out requirements promulgated under the Chesapeake Bay Preservation Act. This would transition oversight of an estimated 104,399 systems in the septic tank pump out program from local governments to VDH. The bill also requires VDH to develop a web-based reporting system for sewage haulers to submit information regarding system pump outs. VDH will have one year to develop the necessary infrastructure to begin implementation of the program on July 1, 2023. The introduced budget provides \$1,038,611 in FY 2023 and \$1,013,720 ongoing starting in FY 2024 for

seven positions and database development to establish and operate the Chesapeake Bay septic tank pump out programs in the 12 localities.

Currently, septic tank pump out programs are administered by local governments. In 2019, enacted legislation required VDH to develop a plan for the oversight and enforcement by VDH of septic tank pump out programs in the 12 subject counties. Throughout 2019 and 2020, VDH worked with the local health departments, regional planning district commissions, local government officials, and other interested stakeholders to develop a plan for transitioning the pump out program in these localities. A major component of VDH's work with stakeholders was to discuss the resource demand of the pump out programs on local government staff. The introduced budget request covers the resources necessary to implement a successful pump out program based on those discussions with stakeholders.

These localities are covered by two health districts, the Three Rivers Health District and the Eastern Shore Health District. The introduced budget provides VDH general funds to hire two Environmental Health Supervisors, one for each health district, at a total cost of \$272,466 (salary, benefits, travel, training, and overhead). The introduced bill also provides appropriation for four Environmental Health Specialists at a total cost of \$450,895 (salary benefits, travel, training, and overhead) to establish and implement the program. The introduced bill also includes funding for the Office of Environmental Health Services (OEHS) to hire one full time employee to assist in the development and ongoing management of the web-based reporting tool at a cost of \$140,677 (salary, benefits, travel, training, and overhead). The introduced bill also provides OEHS \$63,641 in FY 23 for contract service cost for VDH's database vendor to assist in development of the web-based reporting tool, and \$38,760 ongoing starting in FY24 for the database vendor's maintenance cost for the reporting tool. Lastly, the introduced bill provides \$110,922 in program administration cost for local health departments, to include mass mailings and public outreach materials.

The Environmental Health Supervisors and Environmental Health Specialist will be tasked with sending and estimated 20,880 pump out reminder letters each year, and an estimated 16,700 follow-up letters to be sent via certified mail at an estimated cost of \$97,300 per year. This position will also be required to provide education and outreach to homeowners, providing tracking and reporting of the program, and provide general follow up on program requests from homeowners and sewage haulers. VDH estimates staff time would be dedicated approximately 25 percent to education and outreach, 20 percent to data entry and data clean-up, 10 percent to Freedom of Information Act request, 30 percent on corresponding with property owners and sewage haulers, and 15 percent to other duties related to the program. In discussing current programs with local governments, they reported that one of the greatest resource strains was the overwhelming number of phone calls from property owners following the mailing of pump out notices.

- 9. Specific Agency or Political Subdivisions Affected:** The Virginia Department of Health and Accomack, Essex, Gloucester, King and Queen, King William, Lancaster, Mathews,

Middlesex, Northampton, Northumberland, Richmond, and Westmoreland Counties, and the incorporated towns within those counties

10. Technical Amendment Necessary: No.

11. Other Comments: None.