



# Board Agenda Item 5

DATE: August 20, 2019

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

SUBJECT: Amendment to Master Schedule of Fees, Charges, and Recovered Costs

RECOMMENDED ACTION(S):

1. **Conduct first hearing to amend the Master Schedule of Fees, Charges, and Recovered Costs Ordinance by amending Section 900 - Environmental Health, sections 902 through 906, 908 through 917, 919 through 934.1, 938 through 940.2, and 948 through 951; and waive reading of the Ordinance in its entirety and set second hearing for September 10, 2019;**
2. **Designate County Counsel to prepare a fair and adequate summary of the proposed Ordinances; and**
3. **Direct the Clerk of the Board to post and publish the required summaries in accordance with Government Code, section 25124 (b)(1).**

Approval of the recommended actions would schedule the second hearing to amend the identified rates in Section 900 of the Master Schedule of Fees, Charges, and Recovered Costs Ordinance (MSF) provided by the Department of Public Health's Environmental Health Division (EHD). The proposed amendment is an 8% to 13% increase and represents the second year increase of a three-year 25% to 33% phase-in approved by the Board on July 10, 2018. To allow for the eventual 90% cost recovery in Section 900, a similar increase will be required in FY 2020-21, thereby reducing the use of Health Realignment (Realignment) to offset permit fee-based program costs. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct Department staff to use current fees or propose alternative fees, which may not result in the eventual 90% cost recovery in Environmental Health by FY 2020-21.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The proposed rates, as shown in Exhibit A, will be used by the Department to recover direct and indirect costs for services performed at 90% by FY 2020-21 by the Department's EHD with the 10% difference in program costs covered by Realignment to ensure the continued protection to public health.

DISCUSSION:

On June 4, 2019, the Board approved the first hearing for the second year increase of a three-year phase-in. However, the Department is resubmitting for approval this first hearing to correct citations in the Ordinance and the published notice.

On July 10, 2018, the Board approved the first of three phased-in increases to allow for the eventual 90% cost recovery by FY 2020-21 in Section 900, for identified services provided by EHD.

The recommended rates in Exhibit A are the second year increase of a three-year 25% to 33% phase-in and consist of applicable direct and indirect salaries, benefits, services, and supplies, including department and countywide overhead costs. Exhibit B, Environmental Health 2018 Program Revenues and Expenses Summary, provides a summary of 2018 costs compared to revenues at existing rates, indicating the second year increase is still necessary to achieve an eventual 90% cost recovery rate in the third year (FY 2020-21). Attachment A, MSF Rate Change Comparison, provides detail of the changes proposed to the existing rates for comparative purposes, which include revised, reduced, and/or increased fees.

The proposed amendment to Section 900 is an estimated 8% to 13% increase, with the exception of subsection 902 - Kennel License, which is based on the current hourly rate required for review of those facilities; and subsections 939.1 - Dairy Farm Follow-Up Inspection and 939.2 - Semi Frozen Soft Serve License, which are mandated by the California Department of Food and Agriculture (CDFA). Except for these three subsections, to allow for the eventual 90% cost recovery, a similar increase will be required in FY 2020-21.

The Department completed its Environmental Health Permit Fee Study in 2017. In March 2018, the Auditor-Controller/Treasurer/Tax Collector (AC-TTC) reviewed and approved the methodology and calculation of the permit rates. During the Study, the Department reflected an increase for subsection 939.1 - Dairy Farm Follow-Up Inspection above the allowable rates per the California Food and Agricultural Code, section 33254. The recommended rates reflect a downward adjustment to meet the current CDFA mandated maximum rates. Additionally, Subsection 949 - Second and Subsequent Re-Inspection after Notice of Violation, was last updated in FY 2008-09 and was inadvertently omitted from the first phase-in. The recommended Ordinance includes the subsection and reflects EHD's approved standard hourly reinspection rate of \$109. Subsection 950-Hourly Rate of \$109, included in the first phase-in reflects EHD's approved standard hourly rate. Additionally, subsection 951 - Body Art Monitoring (c) Reinspection is adjusted to reflect EHD's standard hourly reinspection rate of \$109. In the last ten years, increases in various State department mandated programs and EHD costs to administer the programs have driven the need for the proposed permit fee increases. The proposed amendment would result in a decreased use of Realignment to offset permit fee-based program costs. The redirection of both Realignment in 2014 resulting from Assembly Bill 85 and In-Home Support Services Account beginning in 2018 have significantly reduced Realignment available for programs and services. Additionally, increased costs in other Realignment funded programs including correctional health and public health have reduced available funding for EHD programs.

The recommended rates, including the calculation, and the methodology applied for cost recovery, were reviewed and approved by the AC-TTC in March 2018. If approved, the second hearing will be scheduled for September 10, 2019.

REFERENCE MATERIAL:

BAI #9, June 4, 2019

BAI #59, July 10, 2018

BAI #10, June 12, 2018

BBR - Update Regarding Proposal to Increase Environmental Health Permit Fees, June 7, 2018

BBR - Proposal to Increase Environmental Health Permit Fees, May 4, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

Exhibit B

Attachment A  
Ordinance  
On file with Clerk - Summary of Ordinance

CAO ANALYST:

Sonia M. De La Rosa