



Board Agenda Item 7

DATE: March 3, 2026

TO: Board of Supervisors

SUBMITTED BY: Joe Prado, Director, Department of Public Health

SUBJECT: Amendment to Master Schedule of Fees Ordinance - Environmental Health

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, Subsections 905 through 962, and waive reading of the Ordinance in its entirety and set the second hearing for March 17, 2026;**
- 2. Designate County Counsel to prepare a fair and adequate summary of the proposed Ordinance; and**
- 3. Direct the Clerk of the Board to post and publish the required summary in accordance with Government Code, Section 25124(b)(1).**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will revise Section 900 - Environmental Health of the Master Schedule of Fees, Charges and Recovered Costs (MSF) Ordinance, last amended in FY 2025-26, and schedule the second hearing for March 17, 2026. The proposed amendment to Section 900 is a 3% to 8% increase based on anticipated expenses and revenue for FY 2025-26 through FY 2026-27, which allows for 100% cost recovery, thereby reducing the use of 1991 Health Realignment (Realignment) to offset permit fee-based program costs. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct Department staff not to change the rates, change a portion of the rates, or propose alternative rates; however, these alternatives will not recover the full costs of services and would require the Department to evaluate reducing the level of service.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. It is anticipated the proposed fee increases, if approved by your Board, will allow the Department of Public Health - Environmental Health Division to recover the full cost of providing permit fee-based services. Achieving 100% cost recovery for permit fee-based services will allow the Department to explore additional resources to fund unpermitted vendor enforcement activities. Sufficient appropriations and estimated revenues are included in the Department's Org 5620 FY 2025-26 Adopted Budget and will be included in future budget requests.

DISCUSSION:

On December 17, 2024, your Board approved an amendment to Section 900 - Environmental Health of the MSF, which increased most Environmental Health fees by 4% to 106%, depending on the fee type. The approved rates took effect on February 1, 2025.

The Department completed an Environmental Health fee study in August 2024, necessitating a fee increase to achieve 100% cost recovery for permit fee-based services. On November 20, 2024, the Auditor Controller-Treasurer Tax Collector's Office approved the Department's methodology for fee increases for years FY 2024-25, FY 2025-26, and FY 2026-27. On November 21, 2024, the Department held two virtual public hearings to present the proposed MSF and Ordinance changes and provided an opportunity for stakeholder feedback and questions prior to this item being presented before the Board. On December 3, 2024, the Department presented the request to increase 3 years of fees to the Board; which was approved. Through a clerical oversight, the exhibits for fee increases for FY 2025-26 and FY 2026-27 were not attached to the Exhibit to the Master Schedule of Fee Ordinance during the Board's approval at that time; therefore, the Department is returning to your Board for reapproval for the second and third year fee increases for FY 2025-26 (Exhibit A) and FY 2026-27 (Exhibit B). There was an additional clerical oversight when three fees under the category of "Waste" were inadvertently removed from the previously approved Master Schedule of Fees of FY 2023-24. The Department is recommending to reinsert those fees as written and with no increases.

The proposed MSF rates in Exhibit A capture increases in salaries and benefits as well as the cost of services and supplies, the Department's approved FY 2025-26 Indirect Cost Rate (24.472%) and anticipated revenue based on FY 2024-25 actuals. The variances in MSF rate increases outlined below are due to the amount of resources required to provide the billable services and whether there is grant funding or revenue from fines to offset costs.

| <u>Program</u> | <u>Proposed Rate Increases</u> | |
|--|--------------------------------|------------|
| | FY 2025-26 | FY 2026-27 |
| Certified Unified Program Agency | 6% | 6% |
| Certified Unified Program Agency (Hourly Rate) | 6% | 6% |
| Consumer Protection Unit | 8% | 7% |
| Consumer Protection Unit (Hourly Rate) | 8% | 7% |
| Dairy (Hourly Rate Only) | 3% | 3% |
| Emergency Response Team (Hourly Rate Only) | 3% | 3% |

Attachment A is a MSF Fee Comparison, which illustrates a comparison of the existing rates as well as the FY 2025-26 and FY 2026-27 proposed rates.

If the recommended actions are approved by your Board, the second hearing will be held on March 17, 2026. If your Board adopts the recommended fee rates at the second hearing on March 17, 2026, the proposed rates for FY 2025-26 will take effect on April 1, 2026; the proposed rates for FY 2026-27 will take effect on February 1, 2027. Since the Department bills operators 60 days in advance, operators permitted by the Department can expect to see the increased fees on their billing statements beginning in June 2026 for this fiscal year.

REFERENCE MATERIAL:

- BAI #60, August 5, 2025
- BAI #11, July 8, 2025
- BAI #67, December 17, 2024
- BAI #13, December 3, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

Ordinance
Attachment A
On file with Clerk - Summary of Ordinance

CAO ANALYST:

Ronald W. Alexander, Jr.