

California Environmental Laboratory Accreditation Program Fees Listening Session

Ryan Wilson, Fee Branch

Christine Sotelo, ELAP

February 29, 2016

Agenda

- Introduce Fee Team
- Fee Unit Presentation
- ELAP Presentation
- Listening Session

Fund Condition Background

- Fund Condition (FY2016-17) using current fee structure and lab/FOT counts:

Fee Revenue: \$2,723,757

Expenditure Authority: \$3,347,000

Balance: (\$623,243)

- 5-10% Fund Reserve for economic uncertainties

How we will amend our regulation

- State Budget Process
 - Proposed Budget (Jan 10)
 - May Revision (Mid-May)
 - Enacted Budget (July 1)
- Emergency Regulation Process
- Other Programs with Emergency Regulatory Authority
 - Water Rights
 - Water Quality
 - Drinking Water (Beginning FY 2017-18)

Challenges of the current fee structure

- Currently each lab pays:
 - Administration fee
 - Per Field of Testing fee
- Problems we have identified
 - Fee structure written into regulation - difficult to amend
 - Out of date – last change was in 2005
 - Rolling invoices are an administrative challenge
 - FOT fee doesn't correlate with the resources required to certify or numbers of analyses a lab is certified for

Criteria for new structure

- Sustainable
 - Easily amended as fiscal condition changes
- Supports the program
 - Correctly assesses the amount of resources used
- Representative of the number of analyses certified
 - Small labs have smaller fee, large labs have larger fee
- Created collaboratively
 - Representatives of all sizes and types of labs work toward creating an agreeable structure
- Align with Water Boards programs
 - All labs are on the same billing cycle

One Caveat...

- Prices and numbers in the possible scenarios are simplified examples intended to be used to illustrate concepts/options only

Possible Structures – Flat fees

- **Flat fee - per method and per analyte**
 - One standard price for any method or analyte; example:
 - Ex. Each method = \$100
 - Each analyte = \$5
- **Flat fee – per tier**
 - Tiers identified based on quantity of methods
 - Each tier has the same cost; example:
 - Tier A: 1-10 methods = \$100
 - Tier B: 11-20 methods = \$100
 - Tier C: 21-30 methods = \$100
 - If you have 25 methods, you pay \$100 for Tier A + \$100 for Tier B + \$100 for Tier C = \$300 Total

Possible Structures – Tiered

- **Tiered – Progressive/regressive**
 - Tiers identified based on quantity of methods
 - Tiers increase or decrease in price
- **Tiered - Complexity based, per method**
 - Each method is assessed based on complexity and ranked: low, medium, or high
 - Each complexity level has a standard charge per method; example:
 - Low = \$100, Medium = \$200, High = \$300
- **Tiered - Complexity based, per FOT**
 - Each FOT is assessed based on complexity and ranked: low, medium, or high
 - Ex. NELAP fee structure from 2013
 - See next slide

NELAP Structure - 2013

NELAP Fees as of		Base Fee		\$3,137
01 Nov 2005		FOA Fee - Low		\$784
		FOA Fee – Med		\$1,046
FOA = Field of Accreditation		FOA Fee - High		\$1,882

2013 Fee Assessment of Safe Drinking Water Act FOAs:

N101		Microbiology of Drinking Water			Medium
N102		Inorganic Chemistry of Drinking Water			Medium
N103		Toxic Chemical Elements of Drinking Water			Medium
N104		Volatile Organic Chemistry of Drinking Water			High
N105		Semi-volatile Organic Chemistry of Drinking Water			High
N106		Radiochemistry of Drinking Water			Medium

What are other state's fees?

- Arizona:
 - Application Fees 3 Levels (1-9 \$1677 | 10-17 \$2130 | 17+\$2438)
 - Proficiency evaluation: \$130
 - Information update: \$126
 - Fee per method \$10 to \$381
- Illinois:
 - \$2400 Administrative Assessment
 - \$1000 dw/non-potable/solid & chemical inorganic, organic
- Nevada
 - \$500 Application Fee
 - \$200 to \$1500 Matrix
- Oregon
 - Application Fee 3 Tiers (1-10 \$1375 | 11-25 \$2200 | 26+ \$3300)
 - FOT Complexity (\$100 to \$550)
- Pennsylvania
 - \$500 to \$2500 Application fee
 - \$300 to \$1500 Matrix fee
- Utah
 - Application Fee (In-state \$825 Out-of-state \$6000)
 - Rush Certification Fee
 - NELAP Recognition Fee
 - Discount on volume
 - Technology fee

ELAP's Next Steps

- Research, develop, and review ideas with stakeholders
 - Now
- Consult ELTAC
 - Spring 2016 - agenda item
- Draft regulations
 - Summer 2016 - Stakeholder and ELTAC review
- Board Meeting
 - Fall 2016
- Goal: Implement in 2017, either Jan. 1 or Jul. 1
- Always opportunity for involvement

Early Listening Session Ideas

- Base Fee: operating expenses and equipment
- Field of Accreditation: On-site assessment unit/admin
- Unit of Accreditation: PT Unit

Listening Session

