

**STATE WATER RESOURCES CONTROL BOARD MEETING  
BOARD MEETING SESSION - DIVISION OF ADMINISTRATIVE SERVICES  
SEPTEMBER 19, 2023**

**ITEM 8**

**SUBJECT**

CONSIDERATION OF A PROPOSED RESOLUTION ADOPTING EMERGENCY REGULATIONS AMENDING THE ENVIRONMENTAL LABORATORY ACCREDITATION PROGRAM (ELAP) FEE REGULATIONS IN TITLE 22, CALIFORNIA CODE OF REGULATIONS SECTION 64802.25.

**DISCUSSION**

Senate Bill 839 (2016) (Resources Trailer Bill) amended Health and Safety Code (HSC) section 100829 and requires the State Water Resources Control Board (State Water Board) to adopt a schedule of fees to recover costs incurred for the accreditation of environmental laboratories. HSC section 100829 requires the State Water Board to set the amount of total revenue collected each year through the fee schedule at an amount equal to the amount appropriated by the Legislature in the annual Budget Act from the Environmental Laboratory Improvement Fund (ELIF) for expenditure, taking into account the reserves in the ELIF. The State Water Board is required to review and revise the fees each fiscal year as necessary to conform to the amounts appropriated by the Legislature. HSC section 100829 further states the State Water Board shall adopt the schedule of fees by emergency regulation not subject to review by the Office of Administrative Law.

ELAP fees are used for the following: operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or materials; and meeting financial reserve needs and requirements.

Financial Condition of the ELIF

As shown in Attachment 1, total budgetary expenditures for FY 2023-24 are expected to be approximately \$4.66 million, a decrease of 1.8 percent compared to FY 2022-23. However, staff is proposing a 30 percent fee increase to protect against the potential loss of revenue from laboratories dropping out of the program instead of coming into compliance with regulatory requirements that come into effect January 1, 2024.

Proposed Changes

Staff recommends increasing all fee types by 30 percent for FY 2023-24 as shown on Attachment 2.

**POLICY ISSUE**

Should the State Water Board approve a resolution to adopt amendments to laboratory accreditation fee regulations as proposed by staff?

**FISCAL IMPACT**

The FY 2023-24 Budget Act includes expenditure authority for the ELIF of approximately \$4.66 million. The proposed fee schedule changes will ensure the projected revenue for the ELIF, when added to the projected fund balance from FY 2022-23, meets the FY 2023-24 budget expenditures.

**REGIONAL BOARD IMPACT**

None.

**STAFF RECOMMENDATION**

Staff recommends the State Water Board approve the resolution to adopt regulations to change the current ELAP fee schedules as proposed by staff.