

## Why We're Here

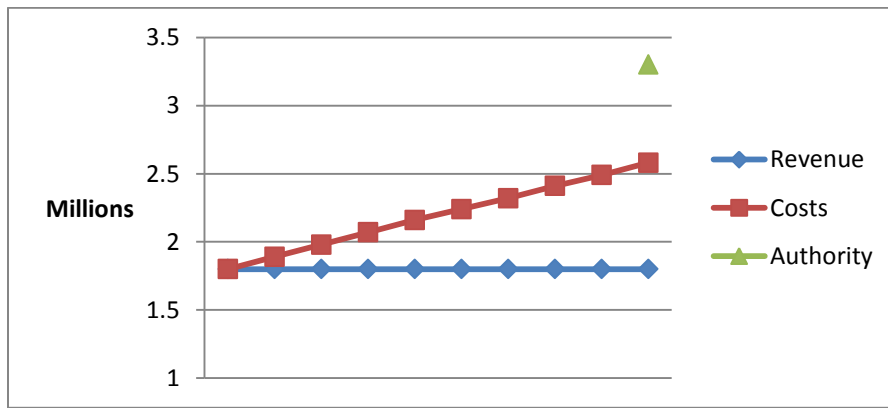
ELAP is mandated through legislation to operate a fully fee-funded program. The program currently has an inadequate revenue stream to cover the cost of existing operations.

## What We Will Discuss Today

Our partners from the Division of Administrative Services will present on ELAP's financial condition, history of the fund, and options for implementing the 2015/2016 fee increase. ELAP staff will then give a brief update on new developments and an overview of the functions of the program. We will also begin the discussion about possible scenarios for a change in fee structures in future fiscal years.

## How We Got Here

- The ELAP fund went without a thorough fiscal analysis for ten years while at the California Department of Public Health (CDPH).
- There were numerous vacant staffing positions in ELAP while at CDPH, resulting in lower operating costs.
- ELAP had higher revenue while it was still a member of the NELAP program.
- Fees were last increased during the 2005/2006 fiscal year.
- Program costs increase 3-5% per year, on average.
- Fees should have undergone annual adjustment to account for this increase.



## Transfer to the Water Boards

- Vacancies filled
- Services increased
- Fiscal analysis performed by Department of Finance
- Insolvency discovered

## SB 101

Senate Bill 101 was a supplementary budget bill used for “clean-up” items that did not make it into the primary 2015/2016 Fiscal Year budget bill. Water Boards Department of Finance discovered the item delegating authority over ELAP's budget was not included when ELAP was transferred to the Water Boards and worked with our partners in the Fee Branch to prioritize its addition.

## Core Principles for Developing a Sustainable Fee Structure

- Equity to all fee payers
- Predictability for fee payers in anticipating annual fees
- Simplicity and understandability
- Consistency with existing laws
- Ease of implementation and administration
- Adaptability to changing regulations
- Stable source of revenue

### Implementation Options

		<b>Fees</b>	<b>% Increase</b>
<b>Current</b>	Base Fee:	\$1,003.00	N/A
	FOT:	\$452.00	N/A
<b>54% Base Increase 54% FOT Increase</b>	Base Fee:	\$1,542.00	53.74%
	FOT:	\$695.00	53.76%
<b>25% Base Increase 72% FOT Increase</b>	Base Fee:	\$1,254.00	25.02%
	FOT:	\$776.00	71.68%
<b>0% Base Increase 87% FOT Increase</b>	Base Fee:	\$1,003.00	0.00%
	FOT:	\$847.00	87.39%

### Examples of Fee Increase Options for Small, Medium, and Large Labs

		<b>Base Fee</b>	<b>FOTs</b>	<b>Total</b>	<b>% Increase</b>
<b>Lab A – 2 FOTs</b>	Current	\$1,003	\$904	\$1,907	
	Flat Increase	\$1,542	\$1,390	\$2,932	54%
	25/72 Split	\$1,254	\$1,552	\$2,906	47%
	0/87 Split	\$1,003	\$1,694	\$2,697	41%
<b>Lab B – 5 FOTs</b>	Current	\$1,003	\$2,260	\$3,263	
	Flat Increase	\$1,542	\$3,475	\$5,017	54%
	25/72 Split	\$1,254	\$3,880	\$5,134	57%
	0/87 Split	\$1,003	\$4,235	\$5,238	61%
<b>Lab C - 10 FOTs</b>	Current	\$1,003	\$4,520	\$5,523	
	Flat Increase	\$1,542	\$6,950	\$8,492	54%
	25/72 Split	\$1,254	\$7,760	\$9,014	63%
	0/87 Split	\$1,003	\$8,470	\$9,473	72%



### California Environmental Laboratory Accreditation Program (ELAP)

**Stakeholder Fee Workshop**  
October 8, 2015  
9:00 a.m.-Noon

#### Agenda:

1. Fees Presentation
2. Q & A
3. ELAP Program Update
4. Q & A
5. Closing Remarks