

# Agenda

## Environmental Laboratory Accreditation Program Fees Stakeholder Meeting

DATE:	Thursday, November 7, 2019
TIME:	2:00 pm – 3:00 pm
LOCATION:	CalEPA Headquarters Building Coastal Hearing Room 1001 I Street Sacramento, CA 95814
CONFERENCE DIAL-IN:	888-273-3658 Participant Code: 300828

Please note this meeting will relate only to the fees portion of the proposed regulations currently in the 45-day comment period. To review or comment on the non-fee portion of the proposed regulations visit: [https://www.waterboards.ca.gov/drinking\\_water/certlic/labs/elap\\_regulations.html#submit](https://www.waterboards.ca.gov/drinking_water/certlic/labs/elap_regulations.html#submit)

### AGENDA

1. Welcome and Introductions (**David Ceccarelli**)
2. Environmental Laboratory Improvement Fund Condition (**John Weir**)
3. Discussion of Proposed Fees (**John Weir**)
4. Open Discussion

[David.Ceccarelli@waterboards.ca.gov](mailto:David.Ceccarelli@waterboards.ca.gov)

[John.Weir@waterboards.ca.gov](mailto:John.Weir@waterboards.ca.gov)

# Environmental Laboratory Accreditation Program Fees Stakeholder Meeting

David Ceccarelli

John Weir

November 7, 2019

# Goals for the Fee Regulations

- Sustainable
- Easy to determine/predictable
- Generates sufficient revenue to support whole Program
- Works within legislative budgetary authority

# Fee Setting Process

- Annually review Program expenditure and revenue estimates
- Review each iteration of the budget
- Determine if Fee Schedule needs adjustment
- Conduct Stakeholder Meeting(s)
- Proposed changes to the Fee Schedule taken to the Board for consideration and adoption
- Implemented via Emergency Rulemaking process

# ELIF Condition

## Environmental Laboratory Improvement Fund Condition (\$000)

Fiscal Year	Projected			
	FY 17-18	FY 18-19	FY 19-20	FY 20-21
<b>BEGINNING BALANCE</b>	\$674	\$425	\$7	\$83
Prior year adjustments	\$307	\$0	\$0	\$0
Adjusted Beginning Balance	<b>\$981</b>	<b>\$425</b>	<b>\$7</b>	<b>\$83</b>
<b>Revenue</b>				
Regulatory Fees <sup>1</sup>	\$3,237	\$3,542	\$4,100	\$4,400
Investment Income <sup>2</sup>	\$12	\$25	\$25	\$25
Total Revenue	\$3,249	\$3,567	\$4,125	\$4,425
<b>Expenditures</b>				
Water Board State Operations <sup>3</sup>	\$3,624	\$3,850	\$3,852	\$4,100
Financial Information System for CA (FI\$Cal)	\$4	\$0	\$0	\$0
Supplemental Pension Payments	\$0	\$37	\$57	\$57
Statewide General Administrative Expenditures (Pro Rata)	\$177	\$98	\$140	\$147
Total Expenditures	\$3,805	\$3,985	\$4,049	\$4,304
Surplus(Deficit)	-\$556	-\$418	\$76	\$121
<b>ENDING BALANCE</b>	<b>\$425</b>	<b>\$7</b>	<b>\$83</b>	<b>\$204</b>
<b>Fund Reserve</b>	11.2%	0.2%	2.0%	4.7%

<sup>1</sup> Regulatory Fee revenue for FY 17-18 is based on actual revenue received from the base fee and field of testing (FOTs); FY 18-19, FY 19-20 is based on billings for base fee and FOTs. FY 20-21 is based on projected billings under proposed fees structure.

<sup>2</sup> Income from Surplus Money Investment Fund (SMIF).

<sup>3</sup> FY 17-18 expenditures is based on actuals costs; FY 18-19 and FY 19-20 is based on budget appropriations. FY 20-21 is based on projected budget appropriations.

# New Proposed Fee Structure

ELAP published a Notice of Proposed Rulemaking on October 11, 2019. [See ELAP Rulemaking File.](#)

Key features relating to fees:

- Use of third-party assessors (TPA)
- Fees for laboratories located inside and outside California
- Fee Categories
  - Base Fee
  - Per Field of Accreditation (FOA) Fee
  - Assessment Fee
  - Reciprocity Fee
  - Amendment Fee
  - Late Fee

# Proposed Fee Structure (Option 1)

	FEE TYPE	FEE
ACCREDITATION FEE (ANNUAL)	Base Fee	\$1,400
	FOA Unit Fee	
	1-49	\$1,000
	50-99	\$2,000
	100-149	\$3,000
	150-249	\$4,500
	250-349	\$6,000
	350-449	\$7,500
	450 +	\$9,000

ELAP ASSESSMENT FEE (ONCE EVERY 2 YEARS)	Main Lab Fee	\$5,000
	Satellite Lab Fee	\$2,500

	FEE TYPE	FEE
RECIPROCITY FEES (ANNUAL)	Base Fee	\$1,400
	Reciprocity Fee	\$5,000
	FOA Unit Fee	
	1-49	\$1,000
	50-99	\$2,000
	100-149	\$3,000
	150-249	\$4,500
	250-349	\$6,000
	350-449	\$7,500
	450 +	\$9,000
	Assessment	

# Proposed Fee Structure (Option 2)

	FEE TYPE	FEE
ACCREDITATION FEE (ANNUAL)	Base Fee	\$2,500
	FOA Unit Fee	
	1-49	\$700
	50-99	\$1,200
	100-149	\$2,000
	150-249	\$2,800
	250-349	\$4,000
	350-449	\$5,500
	450 +	\$7,000

ELAP ASSESSMENT FEE (ONCE EVERY 2 YEARS)	Main Lab Fee	\$5,000
	Satellite Lab Fee	\$2,500

	FEE TYPE	FEE
RECIPROCITY FEES (ANNUAL)	Base Fee	\$2,500
	Reciprocity Fee	\$5,000
	FOA Unit Fee	
	1-49	\$700
	50-99	\$1,200
	100-149	\$2,000
	150-249	\$2,800
	250-349	\$4,000
	350-449	\$5,500
	450 +	\$7,000
Assessment		

# Proposed Fee Structure for Amendment and Late Fees (Options 1 & 2)

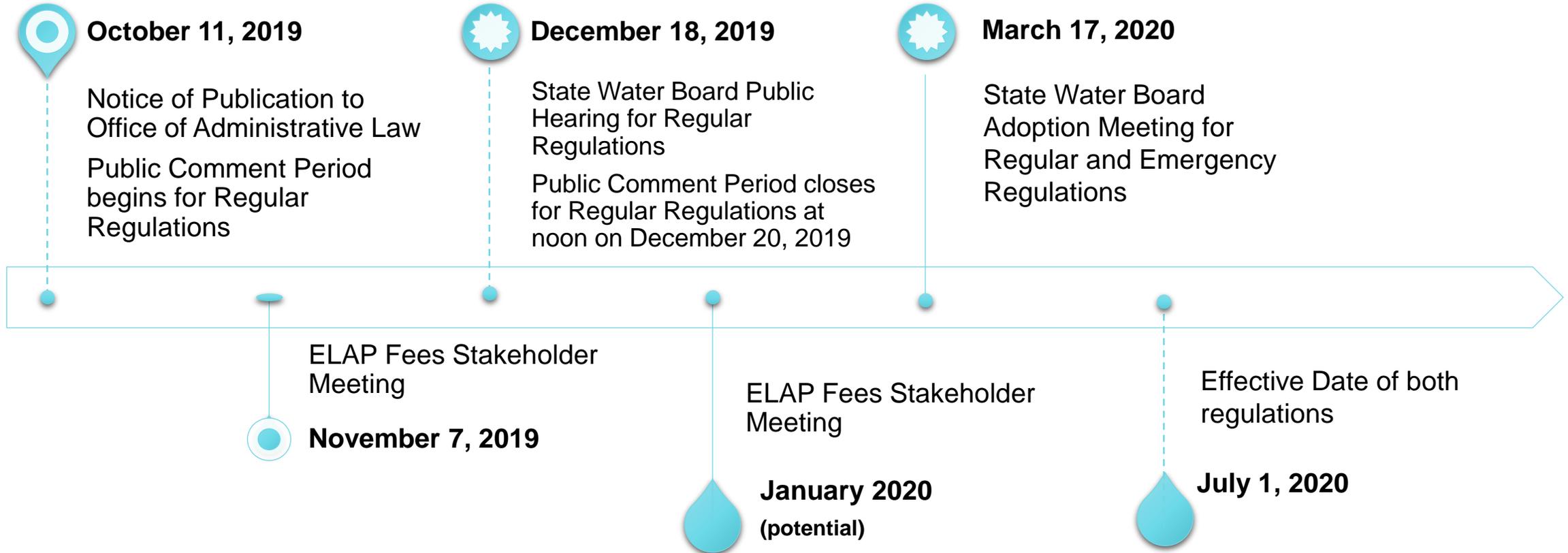
	FEE TYPE	FEE
<b>AMENDMENT FEES</b>	Admin Review	\$200
	ELAP Assessment I (Adding FOAs)	\$1,000
	ELAP Assessment II (Adding Satellite/Mobile Lab)	\$2,500
	ELAP Assessment III (Change of Lab Location)	\$5,000

	FEE TYPE	FEE
<b>RENEWAL ACCREDITATION LATE FEES</b>	After Application Due Date	15% of Accreditation Fee
	After Certification Renewal Date	30% of Accreditation Fee

# Fee Examples

- **Lab with 15 FOAs [4 Field of Testing (FOTs)] w/ELAP Assessment**
  - Current:  $\$2,268 \text{ Base} + 4 \times \$1,021 = \$6,352 \text{ Annual}$
  - Option 1:  $\$1,400 \text{ Base} + \$1,000 \text{ FOA} = \$2,400 \text{ Annual}^*$
  - Option 2:  $\$2,500 \text{ Base} + \$700 \text{ FOA} = \$3,200 \text{ Annual}^*$   
\*+ \$5,000 Assessment Fee every other year
- **Lab with 150 FOAs [8 FOTs] w/TPA Assessment**
  - Current:  $\$2,268 \text{ Base} + 8 \times \$1,021 = \$10,436 \text{ Annual}$
  - Option 1:  $\$1,400 \text{ Base} + \$4,500 \text{ FOA} = \$5,900 \text{ Annual}^*$
  - Option 2:  $\$2,500 \text{ Base} + \$2,800 \text{ FOA} = \$5,300 \text{ Annual}^*$   
\*+ TPA Assessment Fee every other year
- **Lab with 300 FOAs [12 FOTs] w/TPA Assessment**
  - Current:  $\$2,268 \text{ Base} + 12 \times \$1,021 = \$14,520 \text{ Annual}$
  - Option 1:  $\$1,400 \text{ Base} + \$6,000 \text{ FOA} = \$7,400 \text{ Annual}^*$
  - Option 2:  $\$2,500 \text{ Base} + \$4,000 \text{ FOA} = \$6,500 \text{ Annual}^*$   
\*+ TPA Assessment Fee every other year

# Regulations Timeline



**(dates subject to change)**

# Open Discussion