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May 21, 2018

NOTICE: PROPOSED FEE INCREASE FOR PUBLIC HEALTH PERMITS/LICENSES

Dear Public Health Permit/License Holder:

The Department of Public Health, Environmental Health Division (DPH-EH) is providing this notification to ensure that businesses subject to public health permits/licenses are aware of the upcoming proposed changes in fees.

The DPH-EH is recommending a fifteen percent (15%) increase to the current public health permit/license fees effective fiscal year 2018-2019. The last adjustment made to public health permit/license fees was in 2011 and as such the current fees are insufficient to recover the cost of the services being provided by the DPH-EH.

The recommendation to increase public health permit/license fees will be considered by the Los Angeles County Board of Supervisors on June 26, 2018. If the proposed fee increase is approved by the Board, the adjustment in permit/license fees will range between \$5 to \$394. A supplemental billing statement will be mailed to permit/license holders for the portion representing the 15% increase.

The enclosed Environmental Health Fees document will provide answers to the most frequently asked questions.

If you need additional information or wish to provide comments, please contact DPH-EH at (626) 430-5457 or by email at permitfees@ph.lacounty.gov.

Environmental Health Fees

1. What is the Purpose of Public Health Permit/License Fees?

The Department of Public Health, Environmental Health Division (DPH-EH) is a regulatory agency responsible for performing mandated services including, but not limited to, inspections and investigations related to food, housing, public swimming pools, drinking water, water pollution, solid waste, land use, and vector management.

2. How are Public Health Permit/License Fees Established?

Fees are designed to recover the actual costs associated with the services provided by DPH-EH. Permit/license fees are based on the work required for each permit/license category and include direct costs associated with providing each service activity and the indirect support costs.

3. What is the Reason for the 15% Fee Increase?

The last adjustment made to public health permit/license was in 2011 and as such the current fees are insufficient to recover the cost of the services being provided by DPH-EH.

4. Why Doesn't the DPH-EH Cut Costs Instead of Raising Fees?

DPH-EH has implemented a new inspection and data management system and the reorganization of programs to increase efficiencies. However, there are operational costs including cost of living adjustments, and increases to employee benefits and indirect costs that are beyond the control of DPH-EH.

5. What is the Due Date for the Fiscal Year (FY) 2018-2019 Public Health Permit/License Fees?

The FY 2018-2019 public health permit/license fees are due by June 29, 2018. If the proposed fee increase is approved by the Board, a supplemental billing statement for that portion of the fee representing the 15% increase will be mailed to the permit/license holders. The supplemental fee will be due by October 1, 2018.

6. Do Public Health Permit/License Fees Increase Every Year?

The last public health permit/license fee adjustment was in 2011. DPH-EH is considering more frequent, smaller fee adjustments to minimize the impact on permit/license holders.

7. Why Did I Get a Notice About a Fee Increase for My Rental Property?


Apartment buildings with five (5) or more units are licensed and inspected by DPH-EH. The license fee is assessed by the Los Angeles County Treasurer Tax Collector as part of the property tax. The fee increase referenced in the notification will only affect the public health license fee portion of the property tax bill.

8. Are There Any Other Changes in the Ordinance Amendment?

In addition to the fee adjustment, DPH-EH is also modifying fees concerning soft serve, alternate water projects, swimming pool renovations, and x-ray machines to more accurately reflect the cost of services provided.


For questions or to leave a comment, please contact DPH-EH at (626) 430- 5457 or by email at permitfees@ph.lacounty.gov.






Proposed Increase to Public Health Fees

Terri Williams
Director of Environmental Health






Introduction

A Proposal to Increase Fees for Public Health Permits

- On April 24, 2018, the Department of Public Health made a recommendation to the County of Los Angeles Board of Supervisors to increase most public health permit/license and service fees by approximately 15 percent, effective FY 2018-19
- The Board continued the agenda item until June 26, 2018
- This is a Board public hearing scheduled to begin at 9:30 a.m. at the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012




Purpose of the Fees

- The Environmental Health Division (EH) is a regulatory agency mandated to ensure a safe and healthy environment
- Our activities are principally offset by the collection of fees for licenses/permits and other services (94%)
- Fees cannot be used to provide other services within EH


Mandated services include inspections and investigations related to:

- Food
- Housing
- Drinking water
- Water pollution
- Solid waste
- Recreational waters
- Land use
- Vector management



Reason for Fee Increase

- The last adjustment made to Public Health fees was in 2011
- Since 2011, operating costs such as COLAs, employee benefits, and indirect costs have increased (22%) while revenues have remained the same
- Permit and service fees are insufficient to cover increased costs
- The Department has focused on implementing operational efficiencies:
 - Implemented a new inspection and data management system, Envision Connect
 - Reorganized programs to maximize staff productivity



If the Proposed Fee Increase is Approved:

Modify fees to more accurately reflect the actual cost of services


- Alternate water projects
- Swimming pool renovations
- X-Ray machines

Establish soft serve permit fees

- Operators no longer have to contact both the California Department of Food and Agriculture and the County to resolve permit issues


Increase most public health fees

- By approximately 15% beginning Fiscal Year 2018-19




How was the 15 % Fee Increase Determined?

- A fee study was conducted which indicated a 22% fee increase was needed
- The Department is recommending a 15% fee increase to the current public health permit/license effective FY 2018-2019
- EH trust fund to carry the additional 7% for a couple of years
- The current fees are insufficient to recover the cost of the services being provided by the Department



How was the 15% Fee Increase Determined? (Continued)

- A 15% increase would have the following effect to most common fee categories:
 - Restaurants: 50% of the fee increases will be less than \$100
 - Multiple Family Dwellings: 100% of the fee increases will be less than \$65
 - Hotel/Condominiums: 100% of the fee increase will be less than \$100
- The industry standard is to maintain 10% of the operating budget in a trust fund
- At the end of the year 3 mark, we will have less than 5% (4.1 M in the trust fund)


Operational Efficiencies to Decrease Cost

Some Efficiencies include:

- ❖ Implementing a new inspection and data management system
- ❖ Decreased inspection staff office time
- ❖ Reorganizing programs to increase efficiencies and effectiveness
- ❖ Complaint Investigation Unit
- ❖ Despite these efficiencies, there were increases to operational costs beyond the Department's control, such as cost of living adjustments, employee benefits, and indirect costs.


Supplemental Bill

- Regular billing for FY 2018-19 will be based on the current fee schedule
- Billing will be sent out in May (due July 1, 2018)
- If the proposed fee increase is approved by the Board, permit/license holders will be mailed a supplemental bill for that portion of the fee representing the 15% increase, to be due by October 1, 2018

Learn about restaurant and food truck inspections.

<http://publichealth.lacounty.gov/eh>
permitfees@ph.lacounty.gov
(626) 430-5457

Questions?
