



**COUNTY OF SAN LUIS OBISPO  
BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE 11/6/2018		(3) CONTACT/PHONE Lisa Howe / 781-5011	
(4) SUBJECT Introduction of an ordinance implementing the County Fee Schedule "A" for Calendar Year 2019 and Fee Schedule "B" for Fiscal Year 2019-20. Hearing date set for December 4, 2018. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Introduce the attached ordinance amending the County Fee Schedule;</li> <li>2. Set December 4, 2018 as the date to hold a Public Hearing to consider the attached ordinance; and</li> <li>3. Direct the Clerk of the Board to publish notice of hearing in a newspaper of general circulation printed and published in the County of San Luis Obispo pursuant to Government Code Sections 66016, 66018 and 6062a.</li> </ol>					
(6) FUNDING SOURCE(S) N/A		(7) CURRENT YEAR FINANCIAL IMPACT \$0.00		(8) ANNUAL FINANCIAL IMPACT \$0.00	
(9) BUDGETED? Yes					
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.					
(18) SUPERVISOR DISTRICT(S) All Districts					



## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Administrative Office / Lisa Howe / 781-5011

DATE: 11/6/2018

SUBJECT: Introduction of an ordinance implementing the County Fee Schedule "A" for Calendar Year 2019 and Fee Schedule "B" for Fiscal Year 2019-20. Hearing date set for December 4, 2018. All Districts.

### **RECOMMENDATION**

It is recommended that the Board:

1. Introduce the attached ordinance amending the County Fee Schedule;
2. Set December 4, 2018 as the date to hold a Public Hearing to consider the attached ordinance; and
3. Direct the Clerk of the Board to publish notice of hearing in a newspaper of general circulation printed and published in the County of San Luis Obispo pursuant to Government Code Sections 66016, 66018 and 6062a.

### **DISCUSSION**

This item introduces the ordinance amendment necessary to approve changes to County fees. Fees help offset the cost of services which are beyond the basic tax-supported services provided by many County departments. Examples of these services include animal adoption and registration, building permits, rental of County facilities, and passes to recreational areas such as campgrounds and golf courses.

#### ***Budget Policy 21: Cost Recovery Through Fees***

*"Utilize fees to recover costs where reasonable and after all cost saving options have been explored. Exceptions will be reviewed on a case-by-case basis. County departments will review fees annually to ensure that they meet statutory requirements, fall within the range of fees being charged by comparator counties and achieve cost recovery."*

### **Fee Review Policy**

The Board's policy is to recover costs of providing services; however, this only applies to services which carry a specific benefit to an individual or entity, and does not pertain to basic tax-supported services which benefit the broader community (e.g. law enforcement, fire protection, health services, general government administration, etc.).

This is based on the Board of Supervisors' Budget Policy 21, Cost Recovery Through Fees, directing departments to recover costs through fees where reasonable and after all cost-saving options have been explored. Each year, the Board reviews its budget goals and policies in advance of the budget preparation process, which begins in December. The policies were reviewed on November 7, 2017 in advance of the FY 2018-19 Recommended Budget; the next review is scheduled for November 6, 2018.

As noted later in this staff report, not all fees are set at a level to allow for full recovery of costs (i.e. other funding sources, including the General Fund, offset some portion of these costs.)

### **Fee Review Process**

Every year, County departments are asked to conduct a thorough analysis and justification for the fees they charge and to update their fee schedules. This involves reviewing any changes to their own cost of providing services and then working with the Auditor-Controller Treasurer-Tax Collector Public Administrator's Office (ACTTCPA) and the Administrative Office to determine that all laws, policies, and cost assumptions are correctly applied.

In 1999, the Board of Supervisors decided to review only proposed changes to the fee schedule each year and once every five years review all fees. The last five-year review of fees occurred on November 25, 2014 for the Fiscal Year (FY) 2015-16 fee cycle; therefore, only fees that are proposed to change in the FY 2019-20 cycle are considered for the hearing on December 4, 2018 and included for review in this report. The next five-year review of all fees will take place in the fall of 2019 (next year) for the FY 2020-21 fee cycle.

In the nearer future, departments may undertake comprehensive cost studies if significant changes to services are planned which warrant a review of cost recovery. For example, during the current fiscal year, the Parks and Recreation Department conducted a cost recovery study and on July 17, 2018, the Board adopted a comprehensive cost recovery policy as the framework for the department's operation including budgeting, fees, and capital projects funding which will provide targets for services based upon the benefit received by the park user.

There are two schedules used: Schedule "A," which goes into effect at the start of the calendar year, and Schedule "B," which goes into effect at the start of the fiscal year. Most fee changes will go into effect on July 1, 2019 as part of Schedule "B". In December 1999, the Board approved exceptions to this effective date for Parks, Golf, and Airport parking fees. These fees were moved to Schedule "A" and become effective at the start of each calendar year to better serve customers and effectively manage the finances of these services. Probation fees were moved to Schedule "A" in 2011. In 2013, Clerk-Recorder fees for birth and death records as well as copies of records to government agencies were moved to Schedule "A" to bring them into better alignment with the State statutory fee schedule. During the FY 2015-16 cycle, Airport parking fees were moved back to Schedule "B" to avoid conflicts with holiday travelers unaware that parking fee increases could go into effect on January 1. In addition, during the FY 2018-19 cycle, three Library fees were added to Schedule A (while all other Library fees remained on Schedule B). As a part of this cycle's recommended changes, the ACTTCPA is requesting to add one new fee to Schedule A (while all other Library fees remain on Schedule B), as discussed further below.

After the hearing on December 4, 2018, a master fee schedule containing the fees charged to the public for services established by the Board of Supervisors will be produced and distributed to County departments and posted on the County's web site for the public.

## Summary of Fee Changes

A current total of 2,070 fees were reviewed by County departments. Of the current total, 1,473 (71%) are recommended to remain unchanged, 400 to increase (20%), 63 (3%) to decrease, and 135 (7%) to be deleted. Thirty-six (36) are recommended to be added, which, in conjunction with the deleted fees, would result in a total of 1,971 fees for FY 2019-20.

Most fees (70%) are at full cost recovery. "Full cost recovery" means that the fee amount captures 100%, or nearly 100%, of the cost of the service, in accordance with Budget Policy 21. Other fees may recover a large portion of costs, but perhaps not all costs. In some cases, those that are not capturing all costs are either kept below full recovery due to specific Board policy or direction, or because they are limited by statute. Additionally, some fees, such as for Library services, are set lower than cost to encourage the return of Library materials, or Health Agency fees, which are oftentimes set lower in the interest of public health and safety. In setting fee amounts, departments try to strike a balance between recovering costs per Board policy and yet not making fees cost prohibitive for customers who might be disproportionately impacted. Part of the Budget Policy 21 quoted above mentions that fees should "recover costs where reasonable," and this type of balance attempts to fulfill that requirement.

Over half (61%) of the proposed fee increases are for Public Health services many of which are typically reimbursed through Medi-Cal or private insurance carriers. It is important to note that any recommended changes are based on trends over time and not from year-to-year fluctuations in costs. Departments are encouraged to employ a long-term view in adjusting fee amounts. For example, if costs have fluctuated up and down the past few years then adjusting the fee amount may not be necessary.

The use of the Consumer Price Index-All Urban Consumers (CPI-U) was also an option for departments for not-staff related cost components, and the June 2018 Los Angeles-Anaheim Consumer Price Index for all Urban Consumers was calculated at 4%.

The large number of fees being deleted during this fee cycle are due to the adoption of a new cost recovery policy for the Parks and Recreation Department which dramatically simplified their fee schedule. Additional information is provided below.

## Procedures Used to Determine Fee Amounts

Departments had the option not to make any changes to their current fee schedules if:

1. The current fee was already at full cost recovery;
2. A time study or review of actual costs based on historical information did not indicate a fee change was warranted; or,
3. There had been no change to statutory fees.

Costs and fee amounts are determined by one of four methods:

1. Calculation of Actual Cost Based on Historical Information. This is the preferred method for determining the cost of providing a service. This information is derived from the County's cost accounting system. Most departments use this information to determine recommended fee amounts.
2. Time-and-Motion Studies. Where a large volume of services is provided and it is impractical to determine the actual cost for each service, a time-and-motion study based on an average hourly rate is used. The departments employing this method include but are not limited to the Health Agency, the Clerk-Recorder,

County Fire, Agriculture, and Planning and Building. For each service, the amount of time it takes to perform all related tasks is multiplied by the average hourly rate.

3. Comparable Fee Survey. When cost accounting and time-and-motion studies are impractical, rates charged by comparable agencies for a similar service can be used as cost indicators. The departments using this method include but are not limited to Central Services, Parks and Recreation (including Golf), Library, and the Clerk-Recorder. This method is especially relevant for services which operate in an industry with private or other competing entities, such as golf courses, campgrounds, or airports.
4. Statutory Fees. Departments using fees based on statute may request changes to their fees that are within the allowable range as defined by statute. Several departments also have fees which are set at a specific amount by statute, or that are determined by the judicial system.

Information on recommended fee changes for FY 2019-20 is reported in the departmental/fund center summaries in this staff report, below. Each fund center summary contains a table detailing the number of fees changing, including those that are increasing, decreasing, being deleted, or that are new or unchanged, also how many fees are at full cost recovery.

## **Fee Change Highlights**

Briefly, some of the more significant changes proposed by departments include the following:

### ***Animal Services***

Animal Services is proposing to increase 22 fees, decrease two, delete two, and add one new fee. The fees recommended to increase are due to increases in the cost of providing services, including in both labor and services and supplies, and due to increases in the percentage of cost recovery for some of the services provided. For example, the "owned litter turned in" fee is proposed to increase by \$65 or 163% to reach full cost recovery for this service. Litters average seven weeks of stay at the shelter after being turned in, and often required increased care and oversight, may have fragile medical needs, and require specialty care items such as special food or formula.

### ***County Fire***

County Fire is proposing to increase all 17 fees to set fees at full cost recovery. All 17 fees are proposed to increase to reflect salary and benefit expenses for the staff that provide the services delivered under the fees. The increases are primarily due to increases to CAL FIRE's benefit rates and to salaries resulting from collective bargaining agreements at the State level. It should be noted that there has not been an increase in County Fire fees for the last three fiscal years.

### ***Health Agency***

#### *Public Health – Environmental Health*

Public Health – Environmental Health is proposing to increase 159 fees, among other changes. Of the 159 fees proposed to increase, 146 or 92% are recommended to increase by 5% or less. One fee is proposed to increase by 36% from \$3,941 to \$5,237, for the California Accidental Release Prevention (CalARP) Program services. The purpose of the CalARP program is to prevent the accidental release of regulated substances that can cause serious harm to the public and the environment, and to minimize the damage if releases do occur. The program covers businesses

that handle one or more of a specified list of regulated substances in excess of a threshold quantity. New legislation resulted in additional CalARP requirements, increasing staff time to perform services. In FY 2018-19, four new tiered fees were added for CalARP services, reflecting the service time associated with facilities regulated under each of the four State regulatory tiers for the program. Prior to FY 2018-19, there was a flat fee in the amount of \$1,727 for all CalARP services.

#### Public Health – Laboratory

Public Health – Laboratory is proposing to increase 58 fees, decrease 40, delete 3, and add 3 new fees. Of the 58 recommended to increase, 34 are recommended to increase by 10% or more. The fees are proposed to increase due to a variety of factors such as additional clerical time charged for the service, increases in supply costs, and a change in the number of minutes required to perform a test. Most services are billed to third party insurance carriers (Medi-Cal/State Office of Family Planning) that reimburse at predetermined rates. However, some reimbursement is received from private insurance. Private pay clients pay based on a sliding scale. If approved, these changes would bring almost all Laboratory fees up to 100% full recovery. These services are typically paid by Medi-Cal or private insurance carriers; however, a sliding scale is also available for individuals without coverage.

#### **Parks and Recreation**

##### Parks and Recreation

Parks is proposing to change many of its fees for FY 2019-20. Parks has a current total of 90 fees, with 6 recommended to increase, 11 recommended to be added, and 33 to be deleted, for a new total of 68. The changes will implement the new Parks' Cost Recovery Policy that was approved by the Board on July 17, 2018. Many of the deleted and new fees proposed are implementing a dynamic pricing model for the services that provide an individual benefit. The deleted fees show fixed, independent rates, whereas the new fees show flexible rates that will be adjusted according to the season, customer demand, special offers, and other factors.

##### Golf

Like Parks' fees, Golf fees are transitioning to a dynamic pricing model. Instead of separate, fixed rates for every category, the department will use a fee range to be able to respond with more agility to customer demands. Therefore, 84 fees are proposed to be deleted, with two added. The two new fees are for the Top Tracer golf experience and the cost range of golf rounds (\$1 to \$51). As an Enterprise Fund, Golf must recover its costs through fees, which includes capital improvements and deferred maintenance. At the same time, the amount charged to customers must be competitive with other municipal golf courses in the area, while offering a high quality yet lower cost alternative to private golf courses.

#### **Fees Not Proposed to Change**

The following departments and/or fund centers have no proposed changes for FY 2019-20, and are therefore not included in this report or in the attachments listing Schedule A and B fee changes:

##### Schedule A

- Clerk-Recorder – Fund Center 110

Schedule B

- Administrative Office – Fund Center 104
- Driving Under the Influence – Fund Center 375
- Fleet Services – Fund Center 407
- Public Works ISF – Fund Center 405
- Social Services – Fund Center 180

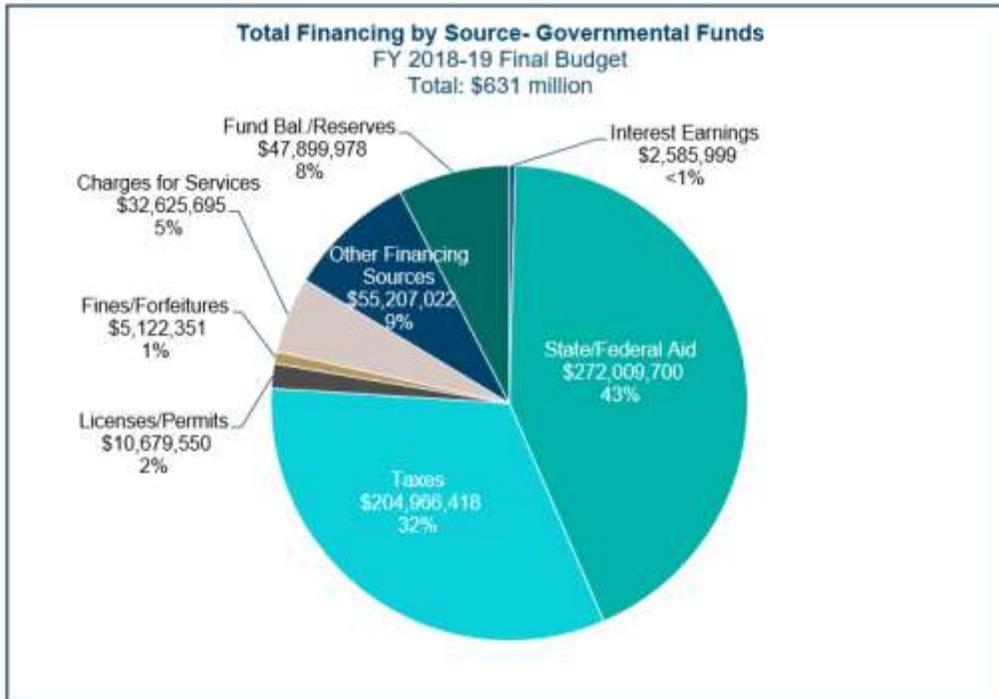
**OTHER AGENCY INVOLVEMENT**

All County departments that charge fees are responsible for updating their fee schedules, supported by actual cost calculations or other methods, as mentioned above. The proposed fees have been reviewed and approved by the applicable commissions and advisory bodies. All calculations are reviewed by the ACTTCPA for compliance with accepted methodology as allowed per the State Government Code. The fees are then submitted to the Administrative Office, where they are reviewed for County policy consistency and to ensure fee revenue does not exceed the costs of providing services. County Counsel has reviewed the fee authority and fee ordinance for form and legal effect. The Clerk-Recorder has reviewed the public notice of the hearing.

**FINANCIAL CONSIDERATIONS**

Fees help offset the cost of providing non-tax supported County services to those who benefit from them. As shown in the pie chart below, fee revenue, including charges for services, fines/forfeitures, and licenses/permits, represents approximately \$48.4 million or 8% of the County's sources of financing for FY 2018-19 (as estimated for the Final All Governmental Funds Budget). This compares to other major revenue sources of \$272 million of State/Federal Aid (43% of total revenues) and \$310 million in taxes, interest, and other financing sources, as well as use of fund balance and reserves (49% of total revenues).

Fees for services represent approximately 8% of total revenues. This is comparable to fee-related revenue in FY 2016-17 and in FY 2017-18, which was 8% for both fiscal years. The total amount of budgeted revenue from departments that is anticipated to be generated from fees in FY 2019-20 constitutes an increase of \$2,374,993 or 5.94% over FY 2018-19. In addition to a greater volume of business, two significant factors for this increase are negotiated wage increases, which went into effect in FY 2017-18, and a CPI increase of 4%.



Note: Fees as a percentage of funding in FY 2019-20 are not yet known since the budget for FY 2019-20 has not yet been created.

If fee increases are not approved, it is anticipated that the amount of General Fund support required to fund existing departmental operations would increase by approximately \$1.3 million. This would be a result of fee revenue not keeping up with the actual cost to provide the services and thus not fully recovering the cost of providing the service.

**RESULTS**

This Board agenda item will serve as notice of the County's intention to change selected service fees. The subsequent public hearing, on December 4, 2018, will provide an opportunity for the public and the Board of Supervisors to discuss fee amount changes, cost-recovery through fees, how fees are calculated, and the difference between tax-supported services and fee-supported services. Implementation of the fee schedule will continue the Board of Supervisors' past practice of recovering costs from those who benefit from certain services the County provides beyond the basic tax-supported services.

**ATTACHMENTS**

1. Schedule A FY 2019-20 Recommended
2. Schedule B FY 2019-20 Recommended
3. FY 2019-20 Fee Ordinance
4. FY 2019-20 Public Hearing Notice

## SUMMARY OF CHANGES TO CURRENT FEES

### Schedule "A" – Fees Effective JANUARY 3, 2019

#### Auditor-Controller-Treasurer-Tax Collector-Public Administrator - Fund Center 117

The Auditor-Controller-Treasurer-Tax Collector-Public Administrator (ACTTCPA) is proposing a new fee to be reported on Schedule A (other existing ACTTCPA fees are on Schedule B, below).

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
0	0	0	0	1	0	1	1

#### **Calculation Method**

This fee is proposed to recoup the cost of joining the California Cannabis Authority (Authority). The fee is calculated by estimating the number of cannabis licenses (100) to be issued and dividing it into the yearly \$28,000 cost associated with being a member of the Authority.

#### **Recommended Changes**

The new California Cannabis Fee of \$280 will be charged to businesses seeking cannabis licenses in the county and will offset the cost of the County's membership in the California Cannabis Authority. The Authority will track and trace information as well as other critical data necessary to audit cannabis businesses. There may be some controversy over this fee.

#### **Cost Recovery**

This fee is set to recover the full cost of the County belonging to the California Cannabis Authority.

#### **Fee Revenue Projection**

See discussion in Schedule B section.

## Golf - Fund Center 427

Golf has a current total of 107 fees, with 2 new fees, and 84 to be deleted, for a new proposed total of 25 in FY 2019-20.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
107	23	0	0	2	84	25	N/A

### **Calculation Method**

The methodologies used to calculate fees generally remained the same as previous years with the addition of the Board-approved Cost Recovery Plan including dynamic pricing. This mostly comprises market surveys of other park-related fees according to the type of facility, location, user demand, and the implementation of the new dynamic pricing model.

### **Recommended Changes**

Like Parks' fees discussed below, Golf fees are transitioning to a dynamic pricing model. Instead of separate, fixed rates for every category, the department will use a fee range to be able to respond with more agility to customer demands. Therefore, 84 fees are proposed to be deleted, with two added. The two new fees are for the Top Tracer golf experience and the cost range of golf rounds (\$1 to \$51).

### **Cost Recovery**

As an Enterprise Fund, Golf must recover its costs through fees, which includes capital improvements and deferred maintenance. At the same time, the amount charged to customers must be competitive with other municipal golf courses in the area, while offering a high quality yet lower cost alternative to private golf courses. The Morro Bay and Chalk Mountain Golf Courses have historically held their financial viability; however, Dairy Creek Golf Course at El Chorro Regional Park has had declining usage over the past few years from lack of irrigation water. Because of this, the department is currently implementing the El Chorro Programming Plan, which will bring other recreational services to the park and generate additional revenue to overhaul both the park and golfing experience. Although the course has had to be changed from 18 holes to 9 holes, the department intends to improve the 9-hole course experience as much as possible.

The department also has many other changes completed and planned, including a partnership with Cal Poly to develop a 3-hole practice facility and a larger driving range, and a miniature golf course and go kart facility to open Spring of 2019. Importantly, these projects will diversify the customer demographic for the park and golf course. The golf course will also be implementing Topgolf technology, which has proved successful in other communities across the country in attracting non-golfers, increasing interest in traditional golf, and enhancing revenue.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to be the same as the budgeted FY 2018-19 amount of \$2,539,647. While revenue has been steadily declining in recent years, Parks staff is working diligently to make the changes discussed above. If successfully implemented, these changes are anticipated to stop the decline.

**Library – Fund Center 377**

The Library has a total of three fees reported on Schedule A, with one proposed to increase.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
3	2	1	0	0	0	3	1

**Calculation Method**

The new passport fee-acceptance/execution fee is set by US Government Code 22 CFR 22.1. The document scanning and document fax (associated with processing passport applications) was determined by the comparable fee survey method. The Black Gold Cooperative Library System schedule of fees was used as the foundation for the comparison. These fees are comparable to what neighboring libraries are charging.

**Recommended Changes**

Of the three fees on the Library’s Schedule A two are recommended to remain the same and one is proposed to increase. The passport fee acceptance/execution fee is proposed to increase by \$10.00 or 40%. As noted, this fee is set by government code and is not considered to be controversial.

**Cost Recovery**

The passport acceptance/execution fee is at 100%. The associated document scanning and document fax fees are at 80% cost recovery. The majority of fess are set below full cost recovery to encourage use to the Library and encourage the return of Library materials.

**Fee Revenue Projection**

See discussion in Schedule B section.

**Parks – Fund Center 305**

Parks has a current total of 90 fees, with 6 to increase, 11 recommended to be added, and 33 to be deleted, for a new total of 68.

Current	Recommended Changes	New	Fees at
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<b>total</b>	<b>Unchanged</b>	<b>Increasing</b>	<b>Decreasing</b>	<b>New</b>	<b>Deleted</b>	<b>total</b>	<b>full cost recovery</b>
90	51	6	0	11	33	68	N/A

**Calculation Method**

The methodologies used to calculate fees generally remained the same as previous years with the addition of the Board-approved Cost Recovery Plan including dynamic pricing. This mostly comprises market surveys of other park-related fees according to the type of facility, location, user demand, and the implementation of the new dynamic pricing model.

**Recommended Changes**

Parks is proposing to change many of its fees for FY 2019-20. The changes will implement the Parks Cost Recovery Policy that was approved by the Board on July 17, 2018. That policy states, in part:

*In establishing fees and charges, the County of San Luis Obispo Parks and Recreation Department will determine the direct costs of providing services and establish goals to recover those costs. The appropriate level of cost recovery will be based on an assessment of how individuals benefit from the service provided. If the benefit is to the community as a whole, it is appropriate to use taxpayer dollars to completely, or primarily, fund the service. Examples of services that primarily provide community benefits are hiking and biking trails, play areas, community parks, practice putting greens, and large natural areas.*

*Services that provide a direct benefit to individuals or specific groups should be managed to recover a greater share of costs. Supervised or instructed programs, facilities and equipment that visitors can use exclusively, and products and services that may be purchased, are examples where user fees are appropriate.*

Many of the deleted and new fees proposed are implementing a dynamic pricing model for the services that provide an individual benefit. The deleted fees show fixed, independent rates, whereas the new fees show flexible rates that will be adjusted according to the season, customer demand, special offers, and other factors. For example, currently, the fee schedule includes separate fixed rates according to how developed a site is, the location, if there is a structure being rented, etc. This is an overly cumbersome pricing model that does not provide the flexibility needed to maximize usage of facilities.

**Cost Recovery**

It is important to note that Parks is significantly subsidized by the General Fund. For FY 2018-19, this constitutes about one-third of this fund center’s adopted budget. Charges for services cover a significant amount of costs, about half of the budget. Since these fees go toward defraying the cost of Parks’ entire operations, individual fee amounts may not necessarily reflect the direct cost of a specific service but assist in defraying the expenses of individual program areas.

Parks fees are largely based and dependent upon the average market fees for similar recreational services. It is County Parks’ intention to establish fees that will be at, below, or in a few cases, nominally above the market average. Recently, the Board approved Parks to move forward with the cost recovery policy that requires

adjustments to the proposed fee schedule. In addition, General Fund support will allow community parks, trails, pools and certain recreation programs to be maintained and operated for the communities of the County without reliance on fees.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to be \$5,780,721, an increase of \$918,887 or 19% over FY 2018-19 budgeted amounts and 14% over actual amounts. Part of this increase is due to the continued implementation of the El Chorro Park Programming Plan, which includes an estimated \$370,000 of new revenue from a miniature golf course and go kart track, currently under design and planned for completion in Spring of 2019.

**Probation - Fund Center 139**

The Probation Department has 34 fees. Eight fees are proposed to increase, and ten to be deleted.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
34	16	8	0	0	10	24	22

**Calculation Method**

The Probation Department uses a combination of actual historical cost and State statutes to set fees. There are many limitations placed on Probation when it comes to fee revenue, as explained below.

**Recommended Changes**

Eight fees are proposed to increase, primarily due to increases in labor cost to provide the services. These increases are considered minor, between 2.5 and 4.9%.

Ten fees are being deleted due to Senate Bill 190 which became effective January 1, 2018. The bill repeals County authority to charge administrative fees to parents and guardians for a juvenile’s detention, legal representation, probation supervision, electronic monitoring and drug testing. The Probation Department stopped assessing these fees associated with these actions on January 1, 2018 and they are now proposed for deletion from the fee schedule.

**Cost Recovery**

All fees are set at full cost recovery except for fees that are set by State statute. However, as is the case each year, the department does not expect full cost recovery in the year that the fees are applicable for the following reasons:

- Although Probation has calculated and proposed its fees at the maximum amount that can be ordered by the court, every client is assessed for their ability to pay and the fee amount is reduced accordingly.
- The fees are ordered by the judge. Not every eligible fee is ordered in every case.

- Pursuant to Assembly Bill 3000, priority of collection is set by the State Controller's Office, and local fees and reimbursement for local services are prioritized last on any criminal court ordered case.
- Since all restitution and state monies would be collected first, local fees are often not collected until the second or third year of the typical three-year grant of probation.

### ***Fee Revenue Projection***

Because of the above considerations, it is difficult to accurately project the amount of fee revenue the Probation Department will collect and realize within a fiscal year. Additionally, the department's fee schedule includes projected revenue amounts for fees that are collected by Probation but are ultimately disbursed to other agencies (State Controller's Office, other County agencies, etc.). The department estimates that fee revenue for FY 2019-20 will be 10% or \$38,555 higher than FY 2018-19 due to Targeted Case Management (TCM).

# SUMMARY OF CHANGES TO CURRENT FEES

## Schedule "B" – Fees Effective JULY 1, 2019

### Agricultural Commissioner – Fund Center 141

The Agriculture/Weights and Measures Department submitted a fee schedule spreadsheet containing a total of 76 current fees with 3 fees increasing. 15 are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
76	73	3	0	0	0	76	15

#### **Calculation Method**

The methodology to calculate this year's proposed fees did not change from previous years. Methods involve time/cost studies and average staff hourly rates. The exceptions are *Weights and Measures* device fees, which are limited by statute and *Pesticide Use Enforcement* fees, which are set in statute.

#### **Recommended Changes**

There are 3 fees recommended for increase due to an increase in labor cost. The fees for unlicensed staff to provide Origin, Export and Quarantine compliance/inspections for certification of plant materials and Non-Mandated Device testing are each increasing by \$5.00 to \$80.00 or 7%. The increase is due to staff that performs these compliance inspections being at the top step of the salary range for their classification. The last fee increasing, Computer Information requests is increasing by \$9 or 10.5%. This increase is also attributed to a promotion and subsequent salary increase for the Department Automation Specialist (DAS) that provides the service. It should be noted that all these fees are not a full cost recovery. None of the recommended changes are considered significant or controversial.

#### **Cost Recovery**

For FY 2019-20, 15 out of 76 or 20% of fees are set at full cost recovery. The department attempts to balance the potential impact of fees on county businesses with a reasonable level of cost recovery. There are some fees that have historically remained at less than full cost recovery to keep in line with fees charges by neighboring counties for the same service, such as export certificates. Qualified certified farmers' market producers receive a veteran's exemption from fees pertaining to certificates and site inspections. Due to the statutory limits on some fees, full cost recovery will not be achieved.

#### **Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to decrease by approximately \$1,523 to \$574,242 or 0.3% below budgeted levels compared to the FY 2018-19 budgeted amount of \$575,765. This minimal decrease is due to

changes in unit of services for several services provided by the Agriculture/Weights and Measures Department . Actual fee revenue for FY 2017-18 was \$600,847 which was a 6.4% or \$36,144 increase when compared to FY 2017-18 actual revenue of \$564,703.

## Airports – Fund Center 425

Airports has a current total of 61 fees, with 1 recommended to increase, and one to decrease.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
61	59	1	1	0	0	61	N/A

### Calculation Method

The method used to calculate fees did not change from previous years. Methods include market comparisons to stay competitive, analysis of actual costs, and compliance with the Federal Aviation Administration’s (FAA) Rates and Charges Policy, where applicable.

### Recommended Changes

Airports is proposing to increase the *Ground Transportation Network Permit Operation* fee by \$1.00 for a new amount of \$3.00 per trip. This will provide flexibility for the Director in negotiating contracts with Uber and Lyft. One fee, for *Commercial Ground Limousine License*, is decreasing to be more in line with taxi and shuttle services.

### Cost Recovery

As an Enterprise Fund, Airports must recover its operating expenses to be self-sustaining. A variety of revenue sources is relied upon, including fees. Some fee amounts may not necessarily reflect the direct cost of a given service (e.g. parking), but they assist in defraying the expenses of the operation.

Airports plans to conduct a comprehensive fee review study for the FY 2020-21 fee cycle. At almost \$40 million, the new terminal is a very large investment, and it will be necessary to ensure that operational costs are being recovered by reasonable rates and charges that remain competitive in the marketplace.

### Fee Revenue Projection

The projected fee revenue for FY 2019-20 is expected to increase significantly by \$507,675 or 9% compared to the FY 2018-19 budgeted amount of \$5,859,869. Airports has continued to expand markets in FY 2017-18 and 2018-19, and this has resulted in a greater volume of business and higher revenue.

## Animal Services – Fund Center 137

Health Agency – Animal Services has a current total of 95 fees, with 22 recommended to increase, two recommended to decrease, two recommended for deletion, 69 remaining unchanged, and one new fee added. The proposed new total number of fees is 94. Forty fees are recommended to be set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
95	69	22	2	1	2	94	40

### Calculation Method

The methodology to calculate FY 2019-20 proposed fees did not change from previous years. The method used is actual costs based on historical information and involves calculating fees based on total productive hours. In some cases, comparable fees for service are used for services that are difficult to compute. For FY 2019-20, a 4% CPI was applied to non-labor related costs.

### Recommended Changes

Twenty-two fees recommended to increase, with 19 recommended to increase by less than 10% and three by 10% or more. The fees recommended to increase are due to increases in the cost of providing services, including in both labor and services and supplies, and also due to increases in the percentage of cost recovery for some of the services provided. The fees recommended to increase by 10% or more include:

Significant Fee Increases				
Fee	FY 18-19 Fee	Proposed FY 19-20 Fee	Fee Increase	% change
Bite Report and Quarantine Administration	\$40	\$45	\$5	12.5%
Owned litter turned in (animals under 8 weeks, with or without parent)	\$40	\$105	\$65	162.5%
Dead animal pickup, over 80 pounds with second officer	\$50	\$55	\$5	10.0%

The “owned litter turned in” fee is proposed to increase by \$65 or 163% to reach full cost recovery for this service. Litters average seven weeks of stay at the shelter after being turned in, and often required increased care and oversight, may have fragile medical needs, and require specialty care items such as special food or formula.

There is one new fee recommended, for puppy licenses (ages 4 months – 1 year old). That fee is set at the one year altered (spayed/neutered) rate because puppies are not yet physically capable of reproduction.

Two fees are recommended for deletion. The first is for euthanasia for a litter because an existing fee better aligns with the actual costs. The second fee recommended for deletion is for turning in a litter with a parent. An existing fee for when a litter is turned in, regardless of whether a parent accompanies the litter, will be used for this service.

Two fees are recommended to decrease by less than 2%, due to a decrease in the cost for the services provided.

**Cost Recovery**

Forty fees are recommended at full cost recovery. Of those, eight are set by statute at the full amount allowed by California Code. Many of the fees remain at less than cost recovery to incentivize practices benefitting the public safety and animal welfare. For example, fees for adoptions of cats and dogs are set at below cost recovery in order to promote adoption of shelter animals.

**Fee Revenue Projection**

The fee revenue for FY 2019-20 is projected to increase by \$25,207 or 2% for a total of \$1,162,428 compared to the FY 2018-19 budgeted amount of \$1,137,221.

**Assessor – Fund Center 109**

The Assessor’s Office currently has a total of 21 fees, with 4 recommended to increase, and 17 to remain unchanged, and 6 are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
21	17	4	0	0	0	21	6

**Calculation Method**

The methodology used to calculate this year’s proposed fees did not change from the prior year and is based on overhead rate calculations, average labor cost per service, productive hourly wage rate, direct and indirect costs, and county fee comparisons based on a survey of other counties’ Assessor’s Office fees.

**Recommended Changes**

There are four fees recommended to increase, from \$1.00 to \$50.00 or 3.9% to 50%, primarily due to the increased labor cost. The fee for Custom GIS Reports is the largest increase, \$50 or 50%, with the three fees increasing \$1.00 to \$3.00 or 3.9% to 9.1%. The Custom GIS Reports fee is set at 70% cost recovery and is use minimally. There are no new fees nor are any fees decreasing. Seventeen fees are proposed to be unchanged from the previous year. None of the recommended changes are considered significant or controversial.

### **Cost Recovery**

For FY 2019-20, 6 out of 21 or 29% of fees are set at full cost recovery. The remainder of the fees are 70% to 94% cost recovered. The fee with the least cost recovery is the Custom GIS Reports fee noted above. If approved to be increased, cost recovery will be at 70% due to the time it normally takes staff to prepare such reports. Some fees are less than cost recovery due to revenue and tax code such as Historical Aircraft fee or Proposition 58 Parent/Child Late transfer fee.

### **Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase \$5,388 or 13% compared to FY 2018-19 budgeted amount of \$42,812, primarily due to increases in unit of service for computer generated data such as the Secured Assessment Roll and the Proposition 58 Parent/Child Transfer fee (noted above). Actual fee revenue for FY 2017-18 was \$51,862 which was a 31% or \$12,369 increase when compared to FY 2016-17 actual revenue of \$39,492.

## **Auditor-Controller-Treasurer-Tax Collector-Public Administrator – Fund Center 117**

The Auditor-Controller-Treasurer-Tax Collector-Public Administrator (ACTTCPA) has a total of 45 fees reported on Schedule B, with 20 recommended to remain the same, 24 recommended to increase, and one fee recommended to decrease.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
45	20	24	1	0	0	45	31

### **Calculation Method**

The methodology used to calculate proposed fees has not changed from prior years. Fee calculations are based on average productive hourly rate, Indirect Cost Rate Proposal (ICRP), and time studies. These methods were utilized for all fees, except for the Card Games or Tables for Hire Fee, which were determined based on a survey of comparable counties to determine an appropriate fee amount. However, this year the productive hours and ICRP rate was calculated separately for the Treasurer-Tax Collector division because the services provided are done so by a mix of job classifications, e.g. some management, some line staff. This recalculated caused the ICRP for the division to increase from 81% to 89%, resulting in the fees specific to the Treasurer-Tax Collector division to increase.

### **Recommended Changes**

Due to the increased labor cost, 24 fees are increasing from \$1.00 to \$122 or 2.7% to 63.9%. The fee with the largest increase, \$122, is the Redemption Serving fee. The service provided by this fee is requirement by statute when a property becomes eligible for tax sale but still owner-occupied. While the cost is by \$122, the fee is hardly used. One fee, the Treasury Returned Check fee, is decreasing as the result of a more efficient process and updated time study. Fees increasing over 10% are noted below.

None of the recommended changes are considered significant or controversial.

Fee Indicator No.	Fee	Current Fee	Proposed Fee	Fee Amount Increase	% Increase
2001	Bulk Transfer Fee	\$24	\$27	\$3	12.5%
2002	DMV Delinquent Vessel Fee	\$6	\$7	\$1	16.7%
2005	Redemption Installment Plan	\$58	\$64	\$6	10.3%
2007	Redemption Publication Fee	\$12	\$14	\$2	16.7%
2008	Redemption Serving Fee	\$191	\$313	\$122	63.9%
2010	Search Fee (Public inquiry)	\$67	\$74	\$7	10.5%
2012	Subdivision/Parcel Tract Map Fee	\$67	\$74	\$7	10.5%
2014	Tax System Electronic Media Fee	\$38	\$42	\$4	10.5%
2015	Unsecured Delinquent Collections Fee	\$77	\$85	\$8	10.4%
2017	Unsecured Release of Lien Fee	\$9	\$10	\$1	11.1%
3003	Renewal Fee (General License)	\$27	\$30	\$3	11.1%
4005	Solicitor's Identification Card Fee	\$18	\$20	\$2	11.1%

**Cost Recovery**

Most of the fees (31) are at full cost recovery, 99.1% to 100%, as they are set at either actual cost, set by statute or slightly below full cost due to rounding. The remaining 14 fees are 78.9% to 98.7% cost recovered and of those, while ten fees are fixed by State statute and three are subject to constraints of the Property Tax System. One fee is set based on a survey of other counties.

**Fee Revenue Projection**

Overall, FY 2019-10 projected fee revenue, in the amount of \$529,902 is an increase of 2.7% or \$14,107 when compared to budgeted FY 2018-19 revenue. Actual fee revenue for FY 2017-18 was \$484,845 which was a decrease of 3.3% or \$16,693 when compared to FY 2017-18 actual revenue of \$501,538. This revenue projection is for revenue generated from fees on the ACTTCPA fee schedule. It does not include any revenue collected by other departments for the ACTTCPA.

**Behavioral Health – Mental Health and Drug and Alcohol Services – Fund Center 166**

Behavioral Health - Mental Health and Drug and Alcohol Services has a current total of 12 fees, with nine recommended to increase, two recommended to decrease, one recommended to be deleted, zero remaining unchanged, and five new fees proposed, for a new total of 16 fees. All recommended fees are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
12	0	9	2	5	1	16	16

**Calculation Method**

**Specialty Mental Health Services**

The methodology used to calculate the proposed fees did not change from the prior year and includes the use of the FY 2018-19 California Department of Health Care Services published rate for San Luis Obispo County Specialty Mental Health Services plus a 4% consumer price index factor on non-salary related costs and a 5.5% increase on salary related costs to create a published upper payment limit related to specialty mental health services. The division is reimbursed for actual costs.

**Drug and Alcohol Services**

The methodology used to calculate the FY 2018-19 proposed fees for Drug Medi-Cal services uses the Drug Medi-Cal Organized Delivery System (DMC ODS) interim rate for FY 2018-19, plus a consumer price index of 4% on non-salary related costs, a 3% increase on salary related costs, and an additional 2.6% increase based on Department of Health Care Services (DHCS) guidelines to create a published upper payment limit related to substance use disorder services similar to Specialty Mental Services fees listed above. The County’s participation in the DMC ODS waiver program changes substance use disorder services reimbursement from a fee for service reimbursement to cost based reimbursement, and implementation of the new fee structure and billing methodology began on January 1, 2018.

**Recommended Changes**

**Specialty Mental Health Services**

All four fees are recommended to increase by 5%. It is important to note that almost all clients receiving specialty mental health services are covered by Medi-Cal and do not pay the published fees.

**Drug and Alcohol Services**

Of the eight current fees, five are recommended to increase, two to decrease, one is recommended for deletion, and five new fees are proposed, in line with the new services for the DMC ODS program. It is important to note that Drug and Alcohol Services are reimbursed by the State.

The new fees proposed are for medication assisted treatment services, residential treatment (two different levels of treatment), withdrawal management services, and for partial hospitalizations. The fee recommended for deletion is no longer applicable to drug and alcohol services under DMC ODS.

**Cost Recovery**

All fees are recommended at full cost recovery.

### **Fee Revenue Projection**

The projected fee revenue for Drug and Alcohol services under the new DMC ODS is unclear as implementation of the new fee structure didn't begin until January 1, 2018.

## **Central Services – Fund Center 116**

The Central Services department currently has a total of 25 fees, with 3 increasing, 22 remaining unchanged, and 3 at full cost recovery.

<b>Current total</b>	<b>Recommended Changes</b>					<b>New total</b>	<b>Fees at full cost recovery</b>
	<b>Unchanged</b>	<b>Increasing</b>	<b>Decreasing</b>	<b>New</b>	<b>Deleted</b>		
25	22	3	0	0	0	25	3

### **Calculation Method**

The methods used to calculate this year's proposed fees did not change from the previous year. They include the following:

- Real Property Services and Central Mail fees are calculated using actual cost recovery based on historical information.
- Veterans Hall, Access/Use Permits, and Film Permits use a comparable market fee survey to develop reasonable fee amounts.

### **Recommended Changes**

There are three fees recommended for increase out of the total of 25 fees in FY 2019-20. None of the proposed increases are controversial. The two Central Mail fees are increasing due to higher labor costs for processing and delivery of mail. The fee for deliveries inside the Government Center area of downtown San Luis Obispo will increase about \$11 to \$115.80 per month. The same fee for service to agencies outside this location will increase about \$19 to \$148.60 per month. The third fee to increase is Central Mailroom Postage Overhead which is the percentage of the actual cost for postage used by non-County entity customers. This fee is proposed to increase from 41% to 72% based on prior year actuals, as presented in the most recent Cost Plan.

Should the fees increases not be approved, this department could face a need to make up the difference in cost to provide these services with additional financial support from the General Fund.

### **Cost Recovery**

There are some fees that Central Services has historically kept below cost. These are the fees for Access, Use, and Film permits which have remained below cost as an incentive for film makers to utilize San Luis Obispo County to showcase the area and to bring auxiliary revenue to local businesses.

### **Fee Revenue Projection**

The department is projecting a total of \$130,341 in fee revenue for FY 2019-20 which is 3% above the budgeted level for FY 2018-19 which is \$126,741. This projected change is due to the department expecting more rentals of Veterans Hall and due to the increases in the mail related fees to be charged to customers.

### **Clerk-Recorder – Fund Center 110**

There is currently a total of 78 fees on Schedule B. Of those, 44 are proposed to remain unchanged, 33 fees are increasing, one fee is being deleted and one new fee recommended to be added. Five fees are set a full cost recovery.

<b>Current total</b>	<b>Recommended Changes</b>					<b>New total</b>	<b>Fees at full cost recovery</b>
	<b>Unchanged</b>	<b>Increasing</b>	<b>Decreasing</b>	<b>New</b>	<b>Deleted</b>		
78	44	33	1	1	1	78	5

### **Calculation Method**

The methodology to calculate the Schedule B proposed fees did not change from previous years. The methodology involves the average productive rate, time studies and comparable fee survey. These methods were utilized for all fees that are under local control, as all services provided by the Clerk-Recorder have a labor component. The one exception to this methodology is the Findings of Fact fee, which utilized a comparable fee survey, along with productive rate. Mandated fees are dictated by California laws and are not subject to yearly increases.

### **Recommended Changes**

Out of the current 78 fees, 44 fees are recommended to remain unchanged with 33 being recommended to increase. One fee, the Intranet Access to Official Records/Initial Set up fee is recommended for deletion. This fee was originally calculated on costs for the old recording system. With the implementation of the new recording system, the Clerk-Recorder can set up individual log-in accounts that will allow better control on outside parties accessing the system. There will no longer be a one-time set-up fee, rather, the fee will be accessed yearly. That fee, Yearly Access to Official Records on intranet, is currently on the department's fee schedule and is recommended to decrease to \$45 from \$725 (by 94% or \$680). The previous fee of \$725 would have allowed an entire office (e.g. title companies or foreclosure companies) to have access to the system. The decreased fee is based on the time it takes staff to set up an individual user as opposed to an entire office. There is one new state statute fee which went into effect September 29, 2017. This fee was the result of a new law which assessed a \$75 fee on every real estate instrument recording (up to \$225 per transaction). The fee, less a 5% administrative fee, is passed through to the State on a quarterly basis.

Due to the increased labor cost, 33 fees are recommended to increase anywhere from \$0.50 to \$6.00 or 6.7% to 50%. The largest percentage, 50%, is an increase of \$1.00. Fees increasing over 10% are noted below.

Fee Indicator No.	Fee	Current Fee	Proposed Fee	Fee Amount Increase	% Increase
1001	Certifying to copy of any paper, record or proceeding on file in the Office of the County Clerk	\$2.50	\$3.00	\$0.50	20.0%
1002	Every Certificate for which a fee is not otherwise fixed	\$2.50	\$3.00	\$0.50	20.0%
1005	Each certificate to the official capacity of any Public Official	\$14.00	\$16.00	\$2.00	14.3%
2002	Copy of file on microfiche	\$2.00	\$3.00	\$1.00	50.0%
5002	Statement of Vote - Entire Statement	\$37.00	\$41.00	\$4.00	10.8%
7003	Audio CD copy of any Board Hearing or item	\$42.00	\$47.00	\$5.00	11.9%
8007	Solemnization of Marriage	\$45.00	\$50.00	\$5.00	11.1%
9000	Appointment of Deputy Comm. Of Civil Marriages	\$45.00	\$50.00	\$5.00	11.1%
8002	Certificate of Authority of Notary Public	\$14.00	\$16.00	\$2.00	14.3%
8006	Issuing Duplicate Certificate of Registry of Marriage	\$30.00	\$33.00	\$3.00	10.0%
10002	For each additional party over two and/or each additional business name on an FBN	\$6.00	\$7.00	\$1.00	16.7%
10005	Filing and indexing Bond of Notary Public	\$50.00	\$55.00	\$5.00	10.0%
10009	Filing an Assessment Appeal Application	\$47.00	\$53.00	\$6.00	12.8%
12009	Indexing of more than 10 names. Each group or fractional portion thereafter the initial group of ten names	\$2.00	\$3.00	\$1.00	50.0%
14001	Official Records Copies - 1 <sup>st</sup> Page	\$4.00	\$5.00	\$1.00	25.0%
15000	Notice of Involuntary Lien Notice - First Debtor	\$13.00	\$15.00	\$2.00	15.4%
15001	Notice of Involuntary Lien Notice - Each additional debtor	\$13.00	\$15.00	\$2.00	15.4%
15003	Preliminary 20 Day Notice	\$35.00	\$39.00	\$4.00	11.4%
15009	CD with Official Records	\$50.00	\$55.00	\$5.00	10.0%
15010	CD with Map copies	\$50.00	\$55.00	\$5.00	10.0%

15013	Creating an Electronic Index of Official Records	\$14.00	\$16.00	\$2.00	14.3%
15014	Emailing a Voter or FBN file	\$1.00	\$1.50	\$0.50	50.0%

None of the recommended changes are considered significant or controversial.

**Cost Recovery**

Only five fees are at a 100% cost recovery. The remainder are anywhere 32.9% to 99.6% cost recovered. The fees that are set by State mandates have not had the actual costs determined therefore it is unknown what percentages of those fees fall above or below actual cost. While the Clerk-Recorder tries to achieve full cost recovery for every fee, it is also imperative that vital services remain affordable for the public.

**Fee Revenue Projection**

Overall, the Clerk-Recorder’s Office projects approximately \$1.6million in fee revenue for FY 2019-20 which is a 4% or \$58,628 increase when compared to FY 2018-19 projected fee levels. The Clerk-Recorder’s Office collects fees for other agencies, such as the State or other County departments, and as a result, the FY 2019-20 projection is based on the portion that is considered Clerk-Recorder revenue only. Actual fee revenue for FY 2017-18 was \$1,567,268 which was a 7% or \$120,869 decrease when compared to FY 2016-17 actual revenue of \$1.6 million. This is attributed to a decrease in revenue from recording fees.

**County Counsel – Fund Center 111**

County Counsel has a total of 4 fees which are all at full cost recovery. A total of 2 fees are proposed to increase and 2 are proposed to remain unchanged.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
4	2	2	0	0	0	4	4

**Calculation Method**

The methodology for calculating the department’s two discretionary fees, legal services to outside agencies and conservatorship matters, was based on the Indirect Cost Rate Proposal (ICRP) provided by the Auditor’s Office. The two remaining fees are set by State statute. The fees charged by Counsel are set at full cost recovery.

**Recommended Changes**

There is a total of four fees charged by County Counsel. Two fees are proposed to remain unchanged while two are recommended to increase. Due to the increased labor cost, the two fees referenced above are increasing by \$10.00 or 6.5%. County Counsel has no control over the number of conservatorship cases they might have each year and

as noted below, legal service fluctuates yearly depending on client need. None of the recommended changes are considered significant or controversial.

**Cost Recovery**

All fees are set at full cost recovery.

**Fee Revenue Projection**

Overall, fee revenue is projected to decrease by 54% or \$46,500 primarily due to a decrease in units of service when compared to FY 2018-19 budgeted amounts. Revenue from legal services is projected to decrease by 19% due to a reduction of 220 billable hours for outside agencies. Legal service activity fluctuates from year to year depending on the need of the department’s clients. Actual fee revenue for FY 2017-18 was \$139,644, which was a 12% or \$16,502 decrease when compared to FY 2017-18 actual revenue of \$156,146.

**County Fire – Fund Center 140**

County Fire has 17 fees, with all 17 recommended to increase which are all at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
17	0	17	0	0	0	17	17

**Calculation Method**

As in past years, County Fire’s fees are calculated based on time studies.

**Recommended Changes**

All 17 fees are proposed to increase to reflect salary and benefit expenses for the staff that provide the services delivered under the fees. The increases are primarily due to increases to CAL FIRE’s benefit rates and to salaries resulting from collective bargaining agreements at the State level. It should be noted that there has not been an increase in County Fire fees for the last three fiscal years. The fees recommended to increase by 10% or more include:

Significant Fee Increases				
Fee	FY 18-19 Fee	Proposed FY 19-20 Fee	Fee Increase	% change
Development Plan, Conditional Use Permit, Minor Use Permit	\$726.00	\$819.00	\$93.00	12.8%
Conditional Certificate of Compliance	\$537.00	\$597.00	\$60.00	11.2%
Tract Map	\$848.00	\$960.00	\$112.00	13.2%
Residential Fire Safety Plan - General	\$476.00	\$543.00	\$67.00	14.1%

Residential Fire Safety Plan - Photo Voltaic Setback Request	\$199.00	\$215.00	\$16.00	8.0%
Commercial/Industrial Fire Safety Plan - General	\$837.00	\$948.00	\$111.00	13.3%
Commercial/Industrial Fire Safety Plan - Tenant Improvement	\$339.00	\$374.00	\$35.00	10.3%
Commercial/Industrial Fire Safety Plan - Photo Voltaic Installation	\$339.00	\$374.00	\$35.00	10.3%
Commercial/Industrial Production Photo Voltaic Facility	\$810.00	\$948.00	\$138.00	17.0%
Commercial/Industrial Fire Safety Plan - Cell Site	\$339.00	\$374.00	\$35.00	10.3%
Commercial/Industrial Fire Safety Plan - Major Commercial Grading	\$339.00	\$374.00	\$35.00	10.3%
Commercial Fire Sprinkler Systems - General	\$348.00	\$384.00	\$36.00	10.3%
Commercial Fire Sprinkler Systems - New Hood System	\$339.00	\$374.00	\$35.00	10.3%

**Cost Recovery**

All proposed fees are set at full cost recovery. Increase in fees is reflective of the increase in labor rates beginning FY 18-19.

**Fee Revenue Projection**

The projected fee revenue for County Fire for FY 2019-20 is expected to increase approximately \$34,275 or 11.3% compared to the FY 2018-19 budget of \$303,340.

**District Attorney - Fund Center 132**

The District Attorney's Office has eight fees, with six at full cost recovery. Five new fees are recommended.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
8	8	0	0	5	0	13	6

**Calculation Method**

The methodology to calculate this year’s proposed fees has not changed from previous years. It includes a combination of the average productive hourly rate, benefits and Indirect Cost Rate Proposal (ICRP) rates, and time studies

**Recommended Changes**

Five new fees are recommended to be added, all of which are for media storage on USB and external hard drive. This data often includes large video and picture files, which must be copied and transmitted in discovery packets for outside private defense attorneys.

**Cost Recovery**

Most proposed fees are historically set for slightly less than full cost recovery based on reasonableness of the fees, cost comparisons with other counties, and because the Public Defender’s Office is not charged for discovery. Discovery fees are charged only to private defense attorneys.

**Fee Revenue Projection**

The District Attorney’s Office projects fee revenue to decrease \$853 or 5% in FY 2019-20, compared to the FY 2018-19 budgeted amount of \$18,900.

**Human Resources - Fund Center 112**

Human Resources has a total of 8 fees, with 4 recommended to increase, none recommended to decrease and 4 remaining unchanged. No new fees are recommended. Eight fees are recommended to be set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
8	4	4	0	0	0	8	8

**Calculation Method**

The methodology to calculate the proposed fees for FY 2019-20 did not change from previous years and is based on Average Productive Hourly Rate, indirect costs and time study results.

**Recommended Changes**

As shown in the table above, four fees are recommended to increase, primarily due to increases in staff compensation and an increase in the number of staff providing services to outside agencies. The four fees increasing fall within the Research/Special Project Rate fee category, which includes fees for Para-Professional Staff, Administrative Support Staff, Professional Staff and the Outside Agency Fees, shown in the chart below.

Fee	Current Fee	Proposed Fee	Fee Increase	% Increase
Para-Professional Staff	\$74.41	\$79.16	\$5.02	6.7%
Administrative Support Staff	\$56.82	\$60.10	\$3.28	5.8%
Professional Staff	\$118.22	\$132.44	\$14.22	12.0%
Outside Agency Fee	\$103.61	\$115.01	\$11.40	11.0%

**Cost Recovery**

Seven fees are set at full cost recovery. The Document Collection Fee for subpoenas is set at 50% cost recovery, as it is limited by statute.

**Fee Revenue Projection**

The projected fee revenue for Human Resources in FY 2019-20 is expected to increase by approximately \$3,968, or 11% compared to the FY 2018-19 budgeted amount of \$34,742. This increase is primarily a result of increases in staff compensation and units of service charged for the Outside Agency Fee.

**Information Technology - Fund Center 114**

The Information Technology (IT) Department primarily supports County departments but also supports some outside agencies and special districts. As shown in the table below, there are a total of 12 current fees with four fees increasing, six decreasing, one unchanged, with three recommended to be added and one to be deleted, for a net new total of 14 fees. All 14 would be set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
12	1	4	6	3	1	14	14

**Calculation Method**

The method to calculate this year’s proposed fees uses current fiscal year budgeted salary and benefit costs and prior fiscal year’s actual service and supply costs with manual adjustments. In addition, there is one change in the type of service unit for the *Network Connection* fee. This is proposed to change from Active Directory accounts to the actual count of attached network devices. This new unit of measure is controllable by customer departments and is a best practice within the information technology industry.

**Recommended Changes**

As shown in the table above, four fees are recommended to increase and six to decrease. The changes are due to either a reduction/increase in units recovered by the service costs, increase/decrease of service and supplies cost to support the services, organizational changes in positions associated with the services, or a combination thereof.

Three new fees are to be added; two of these are for new services: *Voice over Internet Protocol (VoIP)* and *Video Surveillance Camera*. Approximately 90% of all existing Centrex phone lines will be converted to VoIP and billed through a network fee based on phone number. Existing Centrex phone lines, primarily emergency lines (elevator, fire alarms) and sites without network access, will continue to be billed with the current *Voice Support* fee. Since there will be drastically fewer units of service for *Voice Support*, and since this fee will now also incorporate voice mail for the Centrex lines, this fee is going up significantly. The *Video Surveillance Camera* fee is being created to address the large number of surveillance cameras added throughout County facilities in recent years.

**Cost Recovery**

All proposed fees are set at full cost recovery for those which are billed. The County IT Department bills some outside agencies and non-General Fund County departments. County General Fund departments do not pay the IT Department and see their “charges” as a General Fund expense offset.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase approximately \$108,438 or 1% compared to the FY 2018-19 budgeted amount of \$7,980,220.

**Library – Fund Center 377**

As shown in the chart below, the fee schedule workbook submitted by the Library contains a total of 45 current fees with 44 fees unchanging, and one new fee proposed. None of the fees are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
45	44	0	0	1	0	45	0

**Calculation Method**

As in prior years, the Library used the full cost recovery and the comparable fee survey methods for calculating the FY 2019-20 fees. The full cost recovery method involves a direct labor/productive rate combined with an average replacement cost. The comparable fee survey method was used to calculate the Library’s overdue material fees and some fees and fines. The Black Gold Cooperative Library System schedule of overdue fines schedule was used as the foundation for the comparison. Notary fees are based on statutory rates.

### **Recommended Changes**

As shown in the table above, it is recommended that one new fee be added to the Library's fee schedule. This fee is for replacement of non-traditional items available for checkout at the Library, such as computer tablets, in the event they are lost. This service is being proposed as the Library has seen a need for non-traditional items to be made available to the community. The remaining fees are not recommended to change in FY 2019-20. None of the recommended changes are considered significant or controversial.

### **Cost Recovery**

Fees are 24% to 91.7% cost recovered and for the most part, are a fraction of the actual cost to the Library. This reflects an ongoing practice to keep fees low to encourage the return of Library materials and to maintain the patronage of customers who may occasionally return their materials late. The fees are like those charged by neighboring libraries.

### **Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase approximately \$24,200 or 27% compared to the FY 2018-19 budgeted amount of \$89,000. Actual fee revenue for FY 2017-18 was \$108,873 which was a 27% or \$11,524 increase when compared to FY 2016-17 actual revenue of \$97,873.

## **Planning and Building - Fund Center 142**

The Planning and Building Department has 931 fees. One new fee is proposed to be added and two to decrease. It should be noted that on October 16, 2018, the Board approved 27 new fees for cannabis operations, allowing the department to track costs and adjust amounts for cannabis permits independently from other land use permits. The fee amounts are currently set the same as other non-cannabis projects of the same type and size, but will be monitored and adjusted in the future, as appropriate.

<b>Current total</b>	<b>Recommended Changes</b>					<b>New total</b>	<b>Fees at full cost recovery</b>
	<b>Unchanged</b>	<b>Increasing</b>	<b>Decreasing</b>	<b>New</b>	<b>Deleted</b>		
931	929	0	2	1	0	932	925

### **Calculation Method**

The method to calculate this year's proposed fees is the same used in prior years. The department has many fees that reflect the variation in the size, scope, and nature building projects. This approach ensures that clients do not pay the same fee for review of a smaller or simpler project that they would pay for a larger or more complex project. This fee structure is more equitable and allows the applicant to better understand the cost of their permit.

For land use and land division applications, fee amounts recognize the various types of environmental review that may need to be conducted. The fee structure reflects the difference in the time it takes to process a specific type of environmental determination and the difference in resources required to process a simple application compared to

a complex application. Many of the fees on Planning and Building's fee schedule are rarely if ever used but have been put in place in case applicable projects are proposed by applicants.

**Recommended Changes**

The new fee establishes a lower-cost *Lot Line Adjustment* fee of \$1,003 for less complex projects requiring minimal environmental review. This is in comparison to \$4,122 for projects requiring a moderate level of environmental review and \$9,638 for projects requiring an Initial Study for the California Environmental Quality Act (CEQA).

One decreased fee—the Paso Robles Groundwater Basin Agricultural Offset Clearance—is based on updated time and motion data. This fee will be decreasing 29% from \$1,877 to \$1,338. The other decreased fee is for inspection of first story room additions between 251 to 499 square feet. This fee will decrease by 16% from \$666 to \$560 to align more consistently with inspection costs for similar projects.

**Cost Recovery**

Almost all the recommended fees for Planning and Building are set at full cost recovery. Per Board policy, some fees and fee deposits have historically been set at less than full cost recovery. The *Voluntary Merger* and *Pre-Application Meetings* fees have been reduced below cost to encourage use. The General Plan fee is subject to full cost recovery techniques if the processing cost of an application will be substantially more than the fee/deposit. The appeal-related fees continue to be set below cost to allow for the process to be affordable to the appellant. It should be noted that the department and the Board of Supervisors authorized fee waivers totaling \$274,469 in FY 2017-18. The following table lists those fees that do not capture 100% of costs.

Partial Cost Recovery Fees		
Fee	Amount	Percent of cost recovery
Appeal to Board of Supervisors for denial of curb, gutter and sidewalk waiver (#3001)	\$850	35.2%
Appeals to Planning Commission, Board of Construction Appeals, and/or Board of Supervisors (including Public Facilities Fees Title 18, except appeals per Title 26 Growth Management) (#3002)	\$850	18.0%
Request for Review of Proposed Negative Declaration (appeal) (#3004)	\$850	8.5%
General Plan Amendment / Ordinance with Initial Study (#4005)	\$7,500	50.8%
Voluntary Merger (#5018)	\$121	29.9%
TDC- Sending site application (#7006)	\$426	14.4%
Pre-application meeting (#9001)	\$500	52.7%

*Note: No changes are proposed for the above fee amounts.*

Cannabis Operation Permitting and Monitoring Fees		
Fee	Amount	Unit

<b>Land Use</b>		
Business License - Zoning Clearance / Plot Plan - "Cannabis" (L03)	\$54	each
Development Plan / Conditional Use Permit with Categorical Exemption or General Rule Exemption or Previously Issued Environmental Document - "Cannabis" (L40A)	\$8,838	each
Development Plan / Conditional Use Permit with Initial Study - "Cannabis" (L45)	\$17,292	each
Minor Use Permit - Tier II with Categorical Exemption or General Rule Exemption or previously issued Environmental Document) - "Cannabis" (L30A)	\$4,129	each
Minor Use Permit - Tier III with initial study - "Cannabis" (L33)	\$10,773	each
Plot Plan with Building Permit / Zoning Clearance- "Cannabis" (L04)	\$99	each
Plot Plan with Zoning Clearance with additional structure - "Cannabis" (L06)	\$92	each
Pre-Application Meeting - "Cannabis" (L52)	\$500	each
Pre-Application Meeting with Site Visit - "Cannabis" (L53)	\$1,269	each
<b>Code Enforcement</b>		
Condition Compliance - Major with site visit - "Cannabis" (L18)	\$1,709	each
Condition Compliance - Major without site visit - "Cannabis" (L17)	\$1,373	each
Condition Compliance - Minor with site visit - "Cannabis" (L14)	\$932	each
Condition Compliance - Minor without site visit - "Cannabis" (L15)	\$276	each
Code Enforcement Violation Fee - Major - "Cannabis" (V02)	\$1,799	each
Code Enforcement Violation Fee - Minor - "Cannabis" (V03)	\$886	each
Release of Notice of Nuisance - "Cannabis" (V08)	\$491	each
Investigation - Land Use Violation -"Cannabis" (V30)	\$156	hourly
Investigation - Building Violation -"Cannabis" (V50)	\$133	hourly
<b>Building</b>		
Commercial Greenhouse Plan Check - "Cannabis" (0-24,999)	\$1,161	base +\$.84 per add'l 100 sq ft
Commercial Greenhouse Plan Check - "Cannabis" (25,000-49,999)	\$1,328	base +\$1.32 per add'l 100 sq ft
Commercial Greenhouse Plan Check - "Cannabis" (50,000-99,999)	\$1,659	base +\$1.39 per add'l 100 sq ft
Commercial Greenhouse Plan Check - "Cannabis" (100,000+)	\$2,355	base +\$.44 per add'l 100 sq ft
Commercial Greenhouse Inspection - "Cannabis" (0-24,999)	\$1,165	base +\$2.91 per add'l 100 sq ft
Commercial Greenhouse Inspection - "Cannabis" (25,000-49,999)	\$1,747	base +\$5.62 per add'l 100 sq ft
Commercial Greenhouse Inspection - "Cannabis" (50,000-99,999)	\$3,153	base +\$2.59 per add'l 100 sq ft
Commercial Greenhouse Inspection - "Cannabis" (100,000+)	\$4,446	base +\$.37 per add'l 100 sq ft
CWMP - Construction Waste Management Plan - "Cannabis"	\$73	each

Note: With the exception of the Land Use Pre-Application Meeting fee, all the above fees are set at full cost recovery.

### **Fee Revenue Projection**

At this point in time, the department is anticipating \$6,676,827 in fee revenue for FY 2019-20, which is \$739,375 or 12% more than the FY 2018-19 budgeted amount of \$5,937,452. The additional revenue is expected to be generated from cannabis permitting and monitoring.

**Public Health – Multiple Divisions – Fund Center 160**

Overall, Public Health has a current total of 316 fees. Of those 316 fees, 242 are recommended to increase, 46 to decrease, 25 to remain unchanged, three new fees to be added, and three fees deleted. A total of 275 are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
316	25	242	46	3	3	316	275

Of the 242 recommended to increase, 45 (19%) are recommended to increase by 10% or more. Of those 45 fees, 34 are for Public Health Laboratory services. It is important to note that third party insurance carriers (e.g. Medi-Cal) reimburse the County for a majority of Public Health Laboratory services provided. If those fees do not keep pace with increases in the cost of providing services, third party payer reimbursements will also not keep pace with the increasing cost of services. Additionally, fees may be waived or reduced for individuals unable to pay to prevent the spread of communicable diseases. A sliding scale may also be used based on household income.

The Public Health fee changes by division are discussed below.

**Public Health – Environmental Health – Fund Center 160**

Environmental Health has a current total of 168 fees, with 159 recommended to increase, three recommended to decrease, and six remaining unchanged in FY 2019-20. A total of 145 are proposed at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
168	6	159	3	0	0	168	145

**Calculation Method**

The method used to calculate fees did not change from previous years. The method involves using the total productive hourly rate, Public Health’s Indirect Cost Rate Proposal (ICRP), and a consumer price index (CPI) on non-labor related costs. Fees were calculated by determining the productive hourly/minute rate, using 1,800 hours as the basis, and multiplying the hourly/minute rate by the number of hours/minutes from each fee’s time study.

Overall, the hourly rate increased over the prior year's cost due primarily to a 4% CPI increase on non-labor costs, a slight increase in the State-determined Indirect Cost Rate Plan (California Department of Public Health ICRP) from 20.08% to 20.26%, and negotiated salary and benefit increases.

**Recommended Changes**

Of the 159 fees proposed to increase, 146 or 92% are recommended to increase by 5% or less. One fee is proposed to increase by more than 10%, for the California Accidental Release Prevention (CalARP) program services. The purpose of the CalARP program is to prevent the accidental release of regulated substances that can cause serious harm to the public and the environment, and to minimize the damage if releases do occur. The program covers businesses that handle one or more of a specified list of regulated substances in excess of a threshold quantity. New legislation resulted in additional CalARP requirements, increasing staff time to perform services. In FY 2018-19, four new tiered fees were added for CalARP services, reflecting the service time associated with facilities regulated under each of the four State regulatory tiers for the program. Prior to FY 2018-19, there was a flat fee in the amount of \$1,727 for all CalARP services.

Significant Fee Increases				
Fee	FY 18-19	Proposed FY 19-20 Fee	Fee Increase	Percent Change
CalARP Program 4	\$3,841	\$5,237	\$1,396	36.3%

Three fees are recommended to decrease by between 3% and 4% due to a reduction in hours needed to provide the service.

**Cost Recovery**

One hundred forty-five (86%) of the 168 proposed fees are set at full cost recovery.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase by \$119,028 or 4% for a total of \$3,157,205 compared to the FY 2018-19 budgeted amount of \$3,038,177. There is also a net increase of 167 units of service projected in FY 2019-20, due largely to an increase in the number of cross connection inspections projected. In the prior year, the number of facilities was counted as units of service. In FY 2019-20, hours are being used to count service units.

**Public Health – Nursing – Fund Center 160**

Nursing has a current total of 14 fees, with nine recommended to increase, one recommended to decrease, and four remaining unchanged in FY 2019-20. Thirteen of the 14 fees are recommended at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		

14	4	9	1	0	0	14	13
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**Calculation Method**

The method used to calculate fees did not change from previous years. The method involves using the total productive hourly rate, Public Health’s Indirect Cost Rate Proposal (ICRP), and a consumer price index (CPI) on non-labor related costs. Fees were calculated by determining the productive hourly/minute rate, using 1,800 hours as the basis, and multiplying the hourly/minute rate by the number of hours/minutes from each fee’s time study.

The hourly rate increased by 2.3% in part due to an increase in direct and indirect labor costs. In addition, the State-determined Indirect Cost Rate Plan (California Department of Public Health ICRP) increased slightly from 20.08% to 20.26%.

**Recommended Changes**

Nine fees are recommended to increase, all by 10% or less. One fee is recommended to decrease by 17% (from \$24 to \$20), related to charges per vaccine for two or more immunizations during one office visit. The decrease is due to the \$20 fee being charged in FY 2019-20 per additional immunization after the first immunization rather than charging a \$24 flat fee for two or more immunizations. Most Public Health Nursing services are billed to third party payers such as Medi-Cal, and private pay clients pay based on a sliding scale.

**Cost Recovery**

Thirteen of the fees are recommended to be set at full cost recovery (98% or higher recovery). Most services are billed to third party insurance carriers (Medi-Cal/State Office of Family Planning) that reimburse at predetermined rates. Currently, a sliding fee scale is used for family planning services to ensure any individual, regardless of income, has the ability to access reproductive health services. The sliding fee scale is created using the current Federal Poverty Guidelines and charges 0% - 100% of the fee based on family size and income level.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to decrease by \$202,593 or 19% for a total of \$883,250 compared to the FY 2018-19 budgeted amount of \$1,085,843. The projected decrease is due to units of service decreasing by approximately 2,800 units. The recently implemented electronic health record provides a more exact number of units and also tracks missed appointments. Prior to implementation of the electronic health record, estimates were based on a manual count.

**Public Health - Tobacco Control- Fund Center 160**

Tobacco Control has a current total of one fee, with one recommended to increase in FY 2019-20. The one fee is set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		

1	0	1	0	0	0	1	1
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**Calculation Method**

The method used to calculate fees did not change from previous years. The method involves using the total productive hourly rate, Public Health’s Indirect Cost Rate Proposal (ICRP), and a consumer price index (CPI) on non-labor related costs. Fees were calculated by determining the productive hourly/minute rate, using 1,800 hours as the basis, and multiplying the hourly/minute rate by the number of hours/minutes from each fee’s time study.

The hourly rate is increasing due primarily to a 4% CPI increase, additional training and educational materials costs, and a slight increase in the State-determined Indirect Cost Rate Plan (California Department of Public Health ICRP) from 20.08% to 20.26%.

**Recommended Changes**

The one fee in Tobacco Control, which is for tobacco retailer licenses, is recommended to increase by 9% due primarily to a 4% CPI increase, an increase in educational materials and training costs, and a slightly higher indirect rate.

**Cost Recovery**

The one fee is proposed at full cost recovery.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase by \$1,384 or 7% for a total of \$20,790 compared to the FY 2018-19 budgeted amount of \$19,406. Those revenue amounts only reflect the Public Health portion of the fee. The ACTTCPA receives \$69 per license for a total of \$4,278 and the Sheriff’s Office receives \$163 per license for a total of \$10,269. The total combined revenue projected in FY 2019-20 for Public Health, ACTTCPA and Sheriff’s Department is \$35,406.

**Public Health - Laboratory- Fund Center 160**

Public Health Laboratory has a current total of 110 fees, with 58 recommended to increase, 40 recommended to decrease, nine recommended to remain unchanged, three new fees added, and three fees recommended for deletion in FY 2019-20. A total of 93 fees are recommended at full cost recovery (at 98% or higher recovery).

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
110	9	58	40	3	3	110	93

**Calculation Method**

The method used to calculate fees did not change from previous years. The method involves using the total productive hourly rate, Public Health's Indirect Cost Rate Proposal (ICRP), and a consumer price index (CPI) on non-labor related costs. Fees were calculated by determining the productive hourly/minute rate, using 1,800 hours as the basis, and multiplying the hourly/minute rate by the number of hours/minutes from each fee's time study.

The laboratory staff hourly rate decreased by 11.7% over the prior year's cost due to the move of 40% of the clerical staff from indirect labor to direct labor, resulting in a lower indirect labor rate. The latest time study showed that lab clerical staff spend 40% of time working on direct fee activities such as creation of lab orders. A 4% CPI was added to services and supplies.

**Recommended Changes**

Of the 58 recommended to increase, 34 are recommended to increase by 10% or more, as shown below. The fees are proposed to increase due to a variety of factors such as additional clerical time charged for the service, increases in supplies costs, and a change in the number of minutes required to perform a test.

Most services are billed to third party insurance carriers (Medi-Cal/State Office of Family Planning) that reimburse at predetermined rates. However, some reimbursement is received from private insurance. Private pay clients pay based on a sliding scale.

<b>Significant Fee Increases</b>				
<b>Fee</b>	<b>FY 18-19 Fee</b>	<b>Proposed FY 19-20 Fee</b>	<b>Fee Increase</b>	<b>% Change</b>
Aeromonas-Plesiomonas culture	\$36	\$41	\$5	13.9%
Antibiotic susceptibility testing	\$38	\$47	\$9	23.7%
Bacteriologic Isolate ID	\$122	\$269	\$147	120.5%
Bacteriology primary culture	\$75	\$115	\$40	53.3%
Comprehensive Stool Culture	\$223	\$278	\$55	24.7%
Concentration	\$22	\$25	\$3	13.6%
E coli shigatoxin-producing, culture	\$38	\$44	\$6	15.8%
Enterococci, MPN	\$28	\$31	\$3	10.7%
Gram stain	\$29	\$34	\$5	17.2%
Herpes virus culture	\$76	\$125	\$49	64.5%
Herpes virus fluorescent antibody confirmation	\$67	\$156	\$89	132.8%
HIV-1 antibody, Oral fluid, Batch size 50	\$29	\$36	\$7	24.1%
HIV-1 antibody, Oral fluid, Batch size 100	\$ 24	\$ 31	\$7	29.2%
HIV-1 antibody, Oral fluid, Batch size 200	\$20	\$ 27	\$7	35.0%
HIV antibody, Serum, Batch size 50	\$32	\$ 52	\$20	62.5%
HIV antibody, Serum, Batch size 100	\$26	\$ 40	\$14	53.8%
HIV antibody, Serum, Batch size 200	\$25	\$ 33	\$8	32.0%
M. tuberculosis amplification test	\$97	\$122	\$25	25.8%
N gonorrhoeae culture	\$23	\$ 31	\$8	34.8%

<b>Significant Fee Increases</b>				
<b>Fee</b>	<b>FY 18-19 Fee</b>	<b>Proposed FY 19-20 Fee</b>	<b>Fee Increase</b>	<b>% Change</b>
Quantiferon batch size 17	\$ 61	\$ 78	\$17	27.9%
Quantiferon batch size 50	\$ 50	\$ 55	\$5	10.0%
Quantiferon batch size 100	\$ 44	\$ 50	\$6	13.6%
Respiratory PCR Panel	\$193	\$215	\$22	11.4%
Salinity	\$7	\$ 11	\$4	57.1%
Salmonella culture	\$9	\$ 39	\$10	111.1%
Shigella culture	\$ 41	\$ 55	\$14	34.1%
Stool culture	\$ 91	\$113	\$22	24.2%
Surface Sanitation Culture	\$ 27	\$35	\$8	29.6%
Total coliforms-Ecoli, MPN presence/ absence batch size 50	\$26	\$30	\$4	15.4%
Total coliforms-Ecoli, MPN presence/ absence batch size 200	\$22	\$25	\$3	13.6%
Vibrio culture	\$39	\$53	\$14	35.9%
Yersinia enterocolitica culture	\$43	\$52	\$9	20.9%
Legionella MPN, Water	\$34	\$54	\$20	58.8%
Mycoplasma genitalium amplification	\$44	\$65	\$21	47.7%

Three new fees are proposed, including a test for Lyme disease, a test for Herpes, and a DNA sequencing 2-8 isolates. The DNA test is being offered to hospitals to assist in possible hospital-based outbreaks of bacterial agents. Three laboratory fees are also recommended for deletion.

Forty fees are recommended to decrease due primarily to a decrease in the number of minutes required to complete laboratory tests, based on the most recent time study.

**Cost Recovery**

Ninety-three fees are set at full cost recovery (98% or more of cost recovery).

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to decrease by \$124,467 or 11% for a total of \$1,001,533 compared to the FY 2018-19 budgeted amount of \$1,126,000. The number of individuals receiving services (service units) are projected to increase for some services, and decrease for others. Additionally, 40 fees are proposed to decrease. Two specific fees that make up 59% of the laboratory's projected revenue, the Chlamydia and Gonorrhea tests, are projected to decrease by \$27,500 each due to a decrease in those fees. That remaining variation in the number and types of services projected and the differences in the fee amounts are the reasons for the projected decrease in revenue overall.

Projected revenue is based on a two-year average of 60.64% reimbursement rate. Third party insurance carriers reimburse at fixed rates typically lower than Public Health's approved charges.

**Public Health – Emergency Medical Services Agency (EMSA) – Fund Center 160**

The Emergency Medical Services Agency (EMSA) has a current total of 17 fees, with 15 recommended to increase and two recommended to decrease in FY 2019-20. All seventeen fees are recommended at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
17	0	15	2	0	0	17	17

**Calculation Method**

The method used to calculate fees did not change from previous years. The method involves using the total productive hourly rate, Public Health’s Indirect Cost Rate Proposal (ICRP), and a consumer price index (CPI) on non-labor related costs. Fees were calculated by determining the productive hourly/minute rate, using 1,800 hours as the basis, and multiplying the hourly/minute rate by the number of hours/minutes from each fee’s time study.

Overall, the hourly rate increased 2.81% compared to the previous fiscal year. Contributing factors include negotiated salary and benefit increases, a 4% CPI increase, and additional direct services and supplies. The California Department of Public Health ICRP rate also increased slightly, from 20.08% to 20.26%.

**Recommended Changes**

Fifteen of the EMSA fees are recommended to increase due to increases in labor costs and services and supplies, as well as an increase in cost recovery for services provided. Of the fees recommended to increase, eight are recommended to increase by more than 10% and the remaining five fees are recommended to increase by less than 10%.

Significant Fee Increases				
Fee	FY 18-19 Fee	Proposed FY 19-20 Fee	Fee Increase	% Change
EMT Initial Certification	\$28	\$31	\$3	11%
EMT Re-Certification	\$28	\$31	\$3	10.7%
Public Safety-First Aid Initial Certification	\$28	\$31	\$3	10.7%
Public Safety-First Aid Re-Certification	\$28	\$31	\$3	10.7%
EMT Training Program	\$7,988	\$9,440	\$1,452	10.7%
Paramedic Training Program	\$8,787	\$10,384	\$1,597	18.2%
EMT Training Review	\$3,835	\$4,833	\$998	18.2%
Paramedic Training Review	\$5,113	\$7,250	\$2,137	26.0%

The most significant increases are for Paramedic and Emergency Medical Technician (EMT) training and program review, which are recommended to increase by between 18% and 42%. Those four fees are charged to Cuesta College every four years as the provider of the Paramedic and EMT training, and the fees will not be used again until the next program audit in FY 2022-23. The fees were last charged in FY 2018-19. These fees have been steadily increasing over several years in an effort to achieve full cost recovery.

Two fees are recommended to decrease, with one recommended to decrease by more than 10%. That fee, which is for a mobile intensive care nurse initial authorization course, is recommended to decrease by \$38 (15%) due to adjustments reflecting the actual contracted instructor costs and course time adjustments.

**Cost Recovery**

All fees are set between 98% and 100% of full cost recovery.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase by approximately \$1,151 or 3% for a total revenue amount of \$39,358 compared to the FY 2018-19 budgeted amount of \$38,207.

**Public Works – Special Services – Fund Center 201**

Public Works Special Services Division has a current total of 24 fees, with nine recommended to increase and one recommended to be added in FY 2019-20. The proposed new total of fees is 25. Twenty fees are recommended to be set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
24	15	9	0	1	0	25	20

**Calculation Method**

The methodologies used to calculate fees did not change from FY 2018-19. Eleven fees for specific projects with variable cost related to size or complexity are based on collection of a deposit and subsequent billings for the cost of actual services rendered. Ten fees are calculated using a five-year cost average. The Conditional Use Permit Fee was calculated using a three-year cost average due limited available data. The Filing Corner Records Fee is set by statute. The Flood Hazard Report Fee was calculated using a county wide overhead factor of 3.97%. The records of Survey fee is based upon 50% cost recovery, per direction from the Board of Supervisors, to encourage maps to be filed by the public sector.

**Recommended Changes**

Nine fees are recommended for minor increases (less than 10%) due to increases in countywide overhead and five-year average costs. The calculation for the Lot Line Adjustment Checking Fee was changed to a fixed fee, plus actual cost.

The Drainage Flood Building Permit Fee is recommended to increase by \$30 (20%), due to an improved economy and an increase in costs using a five-year average.

Fee	Current Fee	Proposed Fee	Fee Increase	% Increase
Drainage Flood Building Permit	\$150	\$180	\$30	20%

A new Building Permit – Stormwater Review is recommended to cover staff time for plan check review of Stormwater Control Plans and to ensure any proposed post-construction storm water measures are incorporated into the construction plans.

Fee	Current Fee	Proposed Fee	Fee Increase	% Increase
Building Permit – Stormwater Review	N/A	\$336 Deposit + Actual Costs	N/A	N/A

**Cost Recovery**

All but six fees are set for full cost recovery. Two fees, the Filing Corner Record Fee and the Records of Survey Fee, are set below full cost recovery by statute or direction of the Board of Supervisors. Two fees, the Community Acknowledgement Form Fee and the Annexation Map Review Fee, are set below full cost recovery, but allow staff to bill on a time and materials basis. Two fees, the Map Copy Fee and the Assessment Apportionment Fee, are set below cost recovery but are not recommended to increase because they are rarely charged and are not expected to have a negative impact on the General Fund.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase approximately \$25,621 or 7.6% compared to the FY 2018-19 budgeted amount of \$337,321. This increase is primarily a result of the increases of countywide overhead and average actual costs.

## Public Works – Roads – Fund Center 245

Public Works Roads Division has a current total of 14 fees, with seven recommended to increase and two recommended to be decreased in FY 2019-20. No new fees are recommended. Eleven fees are recommended to be set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
14	5	7	2	0	0	14	11

### **Calculation Method**

The methodologies used to calculate fees did not change from prior fiscal years. Most fees are calculated based on average actual cost over the past three years. The Transportation Fee and Transportation Blanket Encroachment Fee are set at the mandated State Department Transportation rates.

### **Recommended Changes**

Seven fees are recommended for minor increases (less than 10%) due to increases in countywide overhead and three-year average actual costs.

Two fees, the Utility Encroachment Fee and the Utility Blanket Encroachment Fee, are recommended to decrease slightly, as shown in the table below. These fees are recommended for decreases due to a decrease in the three-year average actual costs.

### **Cost Recovery**

All but three fees are set for full cost recovery. All fees set below cost recovery are based on State policy or Board policy.

### **Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase approximately \$2,314 or 1% compared to the FY 2018-19 budgeted amount of \$212,498. This increase is primarily a result of the increases of countywide overhead and average actual costs.

## Sheriff- Coroner – Fund Center 136

The Sheriff-Coroner has a current total of 26 fees, with one recommended to increase, zero recommended to decrease, 25 remaining unchanged, and one new fee proposed, for a new total of 27 fees. Sixteen of the recommended fees are set at full cost recovery.

Current total	Recommended Changes					New total	Fees at full cost recovery
	Unchanged	Increasing	Decreasing	New	Deleted		
26	25	1	0	1	0	27	16

**Calculation Method**

The methodology to calculate FY 2019-20 proposed fees did not change from previous years. The method involves the cost of providing direct services and average time each service takes based on periodic time studies and service units recorded.

**Recommended Changes**

The one fee recommended to increase is for notary services. That fee is recommended to increase from \$10 to \$15 per Government Code which sets the maximum rate at \$15 effective January 1, 2017.

The one recommended new fee is for Tetrahydrocannabinol (THC) level confirmation to detect and confirm the presence of cannabinoids. This fee will be used for outside law enforcement agencies.

**Cost Recovery**

Sixteen of the 27 fees are recommended at full cost recovery.

**Fee Revenue Projection**

The projected fee revenue for FY 2019-20 is expected to increase by \$38,623 or less than 1% for a total revenue amount of \$602,960 compared to the FY 2018-19 budgeted amount of \$564,960.