

AGENCY RESPONSE TO EIA

Department of General Services - Division of Consolidated Laboratory Services

Proposed Revision to Certification for Noncommercial Environmental Laboratories (1VAC30-45)

The agency is providing the following comments on the July 6, 2015, revised Economic Impact Analysis (EIA).

Estimated Economic Impact, page 3, first full paragraph

The regulation for commercial environmental laboratories (1VAC30-46) is being revised separately. The standards that commercial environmental laboratories currently meet and will have to continue to meet under revised 1VAC30-46 are different than those for noncommercial environmental laboratories under revised 1VAC30-45. The quality control standards are the same in both regulations as currently written. The quality control standards for noncommercial environmental laboratories are being harmonized under this proposed revision to provide flexibility or to lessen the quality control requirements where the revised standards for the commercial environmental laboratories also do so. Where the proposed revisions to 1VAC30-46 for commercial environmental laboratories provide flexibility or reduce requirements pertaining to these standards, the revisions to 1VAC30-45 provide these identical changes to ensure that the noncommercial laboratories are meeting no more stringent standards than the commercial laboratories.

Estimated Economic Impact, page 3, second full paragraph, and page 4, first full paragraph

The agency background document, TH02, on page 10, addresses the overall cost change of the proposed revisions to 1VAC30-45. While the noncommercial laboratories will incur higher fees, the reduction in the requirement to perform proficiency testing (PT) studies each year will greatly compensate for this increase in fees.

DCLS provides four examples in the TH02 to demonstrate how fees will change under the new fee structure given the reduction in the requirement to perform PT studies. The four examples follow for comparison.

Example A: A laboratory performing a total of 8 test methods on nonpotable water in four test categories (oxygen demand, bacteriology, physical, inorganic chemistry) will see a fee increase of 19% [current fee annualized is \$1787.50; proposed annual fee is \$2125; increase of \$337.50].

Example B: A laboratory performing a total of 8 methods on nonpotable water in four test categories (bacteriology, physical, inorganic chemistry, organic chemistry) will see a fee increase of 24% [current fee annualized is \$1900; proposed annual fee is \$2350; increase of \$450].

Example C: A laboratory performing a total of 11 methods on nonpotable water and solid and chemical materials in two test categories (physical and inorganic chemistry) will see a fee increase of 28% [current fee annualized is \$1637.50; proposed annual fee is \$2090; increase of \$452.50].

Example D: A laboratory performing a total of 9 methods on nonpotable water and solid and chemical materials in four test categories (oxygen demand, physical, bacteriology, and inorganic

chemistry) will see a fee increase of 31% [current fee annualized is \$1787.50; proposed annual fee is \$2345; increase of \$915].

Most laboratories performing any number of tests defined as simple test procedures (STP) will incur a fee increase of 100%. These laboratories currently pay \$600 every two years. Under the proposal they will pay \$600 annually, an increase of \$300 each year.

At the same time, DCLS will require only one proficiency test study for each field of certification (matrix, technology/method, and analyte). This is a significant cost reduction for both the STP laboratories and the general laboratories. A typical STP laboratory performs nonpotable water testing for *E. coli*, total suspended solids, and biochemical oxygen demand. Some STPs perform only two of these tests; others test pH in addition to these tests. The majority of the STP labs (64%) will see an overall savings on average of between \$149 and \$245 each year due to the reduced proficiency testing requirement.

A typical general environmental lab performs tests for simple and complex nutrients as well as those tests performed by the STP labs. Others add a test for total residual chlorine to the basic STP lab tests. The majority of the general environmental labs (64% or 34 labs) will save on average between \$198 and \$296 each year from the reduction in the requirement to perform PT studies. Twelve other general environmental laboratories are certified for many fields of certification, including test methods for organic chemistry and chemical metals testing. Their savings will be greater but their fees will be higher as well.

Using the four examples above, the reduction in PT costs would be as follows:
 Example A=\$296; Example B=\$289; Example C=\$362; and Example D=\$341.

The PT costs illustrated above are an average of the prices charged by four approved PT providers that offer all the PT studies required by these laboratories.

OVERALL CHANGES IN LABORATORY COST TO MAINTAIN CERTIFICATION

While the proposed fees will increase, the cost of maintaining certification will be reduced overall. The reduction in the requirement to purchase and perform PT studies from two to one each year will offset the increase in fees for all laboratories. This can be demonstrated by using the four examples shown above for general environmental laboratories.

DESCRIPTION	EXAMPLE A	EXAMPLE B	EXAMPLE C	EXAMPLE D
Current annualized fee	\$1787.50	\$1900.00	\$1637.50	\$1787.50
Current PT cost	\$592.00	\$578.00	\$724.00	\$682.00
Total current fee and PT costs	\$2379.50	\$2478.00	\$2361.50	\$2469.50
Proposed annual fee	\$2125.00	\$2350.00	\$2090.00	\$2345.00
Reduced PT cost under proposal	\$296.00	\$289.00	\$362.00	\$341.00
Total proposed fee and PT costs	\$2421.00	\$2639.00	\$2452.00	\$2686.00
TOTAL INCREASE IN COST TO MAINTAIN CERTIFICATION UNDER PROPOSAL	\$41.50 (1.7%)	\$161.00 (6.5%)	\$90.50 (3.8%)	\$216.50 (8.8%)

The laboratories performing only simple test procedures (STP) will also benefit from the reduction in the requirement to purchase and perform PT studies from two to one each year. The PT section above indicated that 64% of STP laboratories would see an average savings between \$149 and \$245 per year. To demonstrate the overall cost change for STP laboratories, two examples are provided using these PT cost savings. Example E will see a savings of \$149 each year. Example F will see a savings of \$245 each year.

DESCRIPTION	EXAMPLE E	EXAMPLE F
Current annualized fee	\$300.00	\$300.00
Current PT cost	\$298.00	\$490.00
Total current fee and PT costs	\$598.00	\$790.00
Proposed annual fee	\$600.00	\$600.00
Reduced PT cost under proposal	\$149.00	\$245.00
Total proposed fee and PT costs	\$749.00	\$845.00
TOTAL INCREASE IN COST TO MAINTAIN CERTIFICATION UNDER PROPOSAL	\$151.00 (25.3%)	\$55.00 (6.7%)

The increase in the proposed fees is substantially reduced by the reduction in PT study requirements proposed under the revisions to 1VAC30-45. The examples provided show an overall increase of cost (fees and PT studies) for the noncommercial laboratories ranging from 1.7 percent to 25.3 percent annually compared with the increase in fees of 19 percent to 100 percent.