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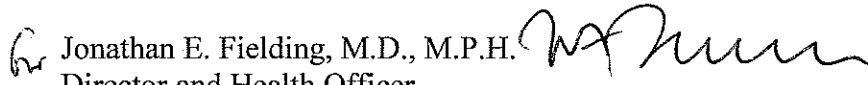
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October 19, 2007

TO: Each Supervisor

FROM:  Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **RADIATION MANAGEMENT PROGRAM**

On September 12, 2006, in conjunction with accepting the FY 06-07 State funding agreement for the Department of Public Health (DPH) to continue operating the Radiation Management program, your Board approved a motion by Supervisors Molina and Knabe for various actions, including 1) instructing us to collaborate with the Chief Administrative Officer (CAO) and County Counsel to negotiate with the State to fully reimburse the County for all costs to the contract, and if not, to return to the Board within 90 days with a recommendation regarding whether the County should continue this contract, taking into account the benefits of this program to the County; and 2) instructing DPH and the CAO to review the classifications for Radiation Management staff and report back to the Board on this issue within 90 days.

On December 8, 2006, I reported 1) that DPH had initiated negotiations with the State, but due to the complex nature of the funding issues, we expected to provide a complete report with recommendations by June 30, 2007, and 2) that we were working with the CAO on classification reviews. This is a status report on these issues.

STAFFING CLASSIFICATIONS

Following the DPH and CAO review of Radiation Management staff, as instructed, the affected class specifications were revised and one new position was adopted by your Board. Two Unions submitted requests to the Employee Relations Commission (ERCOM) to accrete this new class into their respective Unions on July 17, 2007. It was determined at that time to forward these requests to a mediator to decide which Union this new class would be accreted to. The requests are currently being reviewed and evaluated by the mediator and they should be providing their recommendation to ERCOM by November 2007.

STATE AGREEMENT

Radiation Management is a regulatory and health protection function which involves inspection of radiation producing machines; evaluation of licensing applications and inspections for the use, handling, disposal, and transportation of radioactive materials within the County; and emergency response to radiological incidents, including a radiological terrorist event. This is a function for which the State has contracted with DPH's Environmental Health (EH) Division since 1964. The State contracts with one other county (San Diego) for this service. In the remainder of California, the State provides the service with State employees.

The section of the California Health and Safety Code, Section 115065(d), which allows the State to contract for these services contains the following provision:

A local agency participating in a negotiated agreement pursuant to Section 114990 shall be fully reimbursed for direct and indirect costs based upon activities governed by Section 115070. With respect to these agreements, any salaries, benefits, and other indirect costs shall not exceed comparable costs of the department.

In FY 2006-07, in reviewing the County's budget for this agreement, the State invoked this provision for the first time. Specifically, it noted that the County's employee benefit (EB) rate was higher than the State's and limited reimbursement to the State rate.

On June 14, 2007, EH staff met with the State Radiological Health staff in Sacramento. At that meeting, the State's methodology for the calculation of indirect cost and EB rates was discussed. The State agreed to review the components which comprise their employee benefits rate and how those components are calculated to determine whether the two rates are comparable. The State also proposed adding funding to the agreement, but would still be limited by the comparable cost provisions of the code. The State has sent DPH a two-year agreement, with additional funding, but with no change in the way eligible costs are calculated.

The Radiation Management function is a State function, performed under contract by the County. Since it is fee-offset to the State from revenues from the license and registration fees, no State tax revenues need to be used to underwrite this program. This makes it even more difficult to understand the logic of a State code provision which prevents the County from being fully reimbursed for its costs to operate the State program.

DPH believes that there is a benefit to the County in operating this program for the State under contract. That benefit is primarily in the area of emergency preparedness for radiological events, in conjunction with public safety organizations. Although we could certainly coordinate with a district office of the State's Radiological Health Branch, having Radiation Management employees as part of Public Health facilitates better collaboration and preparedness. We are also able to address broader issues than those done by the State staff and thus enhance our health protection efforts.

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We also believe that it would not be easy for the State to quickly constitute a district office for the radiation program in Los Angeles County. Recruitment of staff, location of office space, and preparations for a smooth transfer would take considerable time and effort, given the size of the Los Angeles County unit.

RECOMMENDATION

After analysis of the options, we recommend that the Board accept the State agreement for FY 2007-08 only. We have requested that the State revise the agreement to reflect this shorter contract term. Once the agreement is received, the CEO will file a Board letter for your approval. In the meantime, we will seek opportunities to amend the State code to permit counties to be fully reimbursed for costs under this program.

If you have any questions or need additional information, please let me know.

JEF:dc
PH:609:004(2)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors