



PUBLIC HEALTH DIVISION

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TO: The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Joint Committee on Ways and Means, Subcommittee on Human Services

FROM: Collette Young, Administrator
Center for Public Health Practice
Public Health Division
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SUBJECT: HB 5027, fee ratification

Co-Chairs Steiner-Hayward and Rayfield and members of the committee: I am Collette Young, Administrator of the Public Health Division's Center for Public Health Practice. I am here in support of HB 5027, the Oregon Health Authority's fee ratification bill.

HB 5027 includes two sets of fees for ratification: Oregon Environmental Laboratory Accreditation Program (or ORELAP) fees and Toxic-Free Kids Act fees.

Oregon Environmental Laboratory Accreditation Program (ORELAP)

In June 2016, ORELAP application and field of accreditation fees were increased by 20 percent for out-of-state labs and a new tier of testing complexity, "Advanced Technology," was added to the list of ORELAP fees for both in-state and out-of-state labs.

The Advanced Technology fees accommodate the accreditation of highly complex technologies, including in-state cannabis testing laboratories that test for pesticides and solvent residue. The criteria for designation as an advanced technology field of accreditation include the level of technologic complexity listed in the fields of accreditation, the amount of time required for rigorous evaluation of raw data and documentation, and the complexity of the on-site assessment. Based on this criteria, some technologies have moved to a higher level of field of accreditation for in-state and out-of-state laboratories.

ORELAP does not accredit out-of-state laboratories for cannabis testing. ORELAP accredits out-of-state laboratories that test drinking water samples for Oregon water systems and it tests samples for the Oregon Department of Environmental Quality where there is not in-state accredited laboratory capacity or the expertise needed to do business with Oregon companies.

The fee changes support Policy Option Package 409. The fee ratification is needed to ensure the program has sufficient funds to continue accrediting laboratories. The fee ratification will generate an estimated \$262,033 in additional fees for ORELAP during the 17-19 biennium. The additional fees will help support the two positions that were authorized by 15-17 Policy Option Package 501 for cannabis testing laboratory accreditation. If the fee changes are not ratified, the program will not be able to continue to accredit all of the laboratories it currently accredits, potentially jeopardizing the ability to have drinking water and cannabis tested as required by statute.

Out-of-state laboratory accreditation fees have not been increased since 2011. There has been no opposition to the 20 percent increase.

Oregon laboratory accreditation fees have not been increased since 2002 and are not increased by this fee change. New fees were established for Oregon laboratories for accreditation of advanced technologies and to enable cannabis testing laboratories to test for pesticides and solvent residue as required in ORS 475B.555 and pursuant to Oregon Liquor Control Commission licensure.

Toxic-Free Kids Act (TFKA)

HB 5027 also establishes in statute fees that enables OHA to implement and administer the 2015 Toxic-Free Kids Act (TFKA) i.e. ORS 431A.253–431A.280. This Act requires manufacturers of children’s products sold or offered for sale in Oregon to report products that contain one or more high priority chemicals of concern for children’s health.

The cost to OHA to implement the TFKA is estimated to average \$480,000 per year. To initiate development of the Toxic-Free Kids Program, the Legislature appropriated \$87,673 for the 15-17 biennium. OHA requested \$229,389 for the 17-19 biennium. The balance needed to enact TFKA comes in the form of fees paid by manufacturers who gross over \$5 million in global sales annually.

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OHA put these fees in rule ([OAR 333-016-2080](#)) that took effect February 1, 2017, following a standard rulemaking process including a rulemaking advisory committee and public comment period.

I would be happy to provide any additional information you need and thank you for the opportunity to provide testimony.