

Department of Health Services Fees: Dairy Program Update

Board Item 2025-0464

July 8, 2025



Dairy Program Overview

- Since July 1, 1987, Sonoma County Department of Health Services, Environmental Health has served as the local Approved Milk Inspection Service (AMIS) for both Sonoma and Marin.
- AMIS authority is delegated by California Department of Food and Agriculture (CDFA) according to California Food and Agriculture Code, Section 33171.
- Where there is an AMIS, California Department of Public Health (CDPH) regulations make dairy a required program of Environmental Health. 17 CCR 1276(e)(4).
- CDFA sets a maximum quarterly fee for inspection services and local AMIS programs are required to remit 15% of their revenue to CDFA annually.

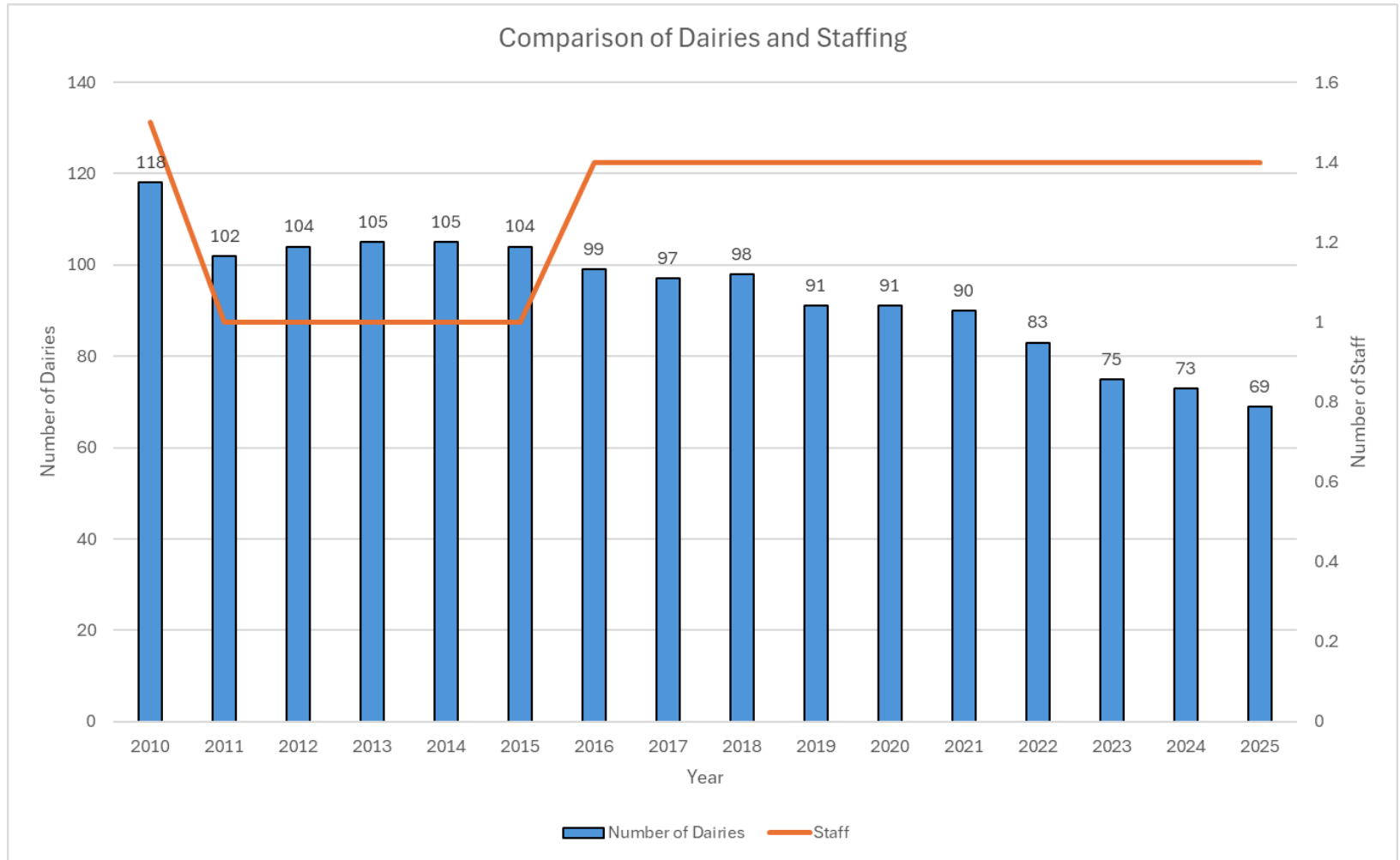


Dairy program Overview Cont.

- Six counties in California are designated by CDFA as an AMIS County
 - Stanislaus
 - Imperial
 - San Joaquin
 - Fresno
 - Tulare/Kings
 - Sonoma/Marin
- All other counties with dairies have dairy inspection programs through CDFA



Local Program Sustainability



Program Challenges

- Decreased programmatic revenue with increasing operational costs
- Decreased workloads necessitate a reduction of current staffing levels
- Decreased local staffing could limit program availability to farms
- Potential decline in local service response times



Fee Study Analysis

- 2024 Wohlford Consulting comprehensive analysis of user fees
 - Staff time and associated expenses determine full cost of fee
 - FY 2025-2026 Full cost recovery would require \$562.00/month
 - Identified underutilization of .50 FTE staff
 - Current county dairy inspection fee is \$217.00 a month
 - CDFA maximum allowable limit for dairy is \$265 a month
 - Requirement to remit 15% of program revenue to CDFA
 - In FY 24/25, the program received a subsidy of \$177,093
 - Sonoma County General Fund Subsidy \$126,495
 - Marin County General Fund Subsidy \$50,598

Stakeholder Engagement

We acknowledge the importance of the dairy program and have searched for solutions to assist this industry and provide a path for them to thrive within our County.

Stakeholder Meetings with Dairy Industry, Milk Producers, Farm Bureau and CDFA

- Concerns and Feedback
 - Program efficiencies
 - Cost Control
 - Staffing Impacts/Deletion/Layoff
 - Backup staffing coverage
 - Operational vulnerability



Dairy Program Options

1. Continue Local Program with Fee Increase
2. Maintain Local Program with No Fee Increase
3. Return Program to CDFA on January 1, 2026



Option 1: Local Program with Fee Increase

- Fee Increase to match State (CDFA) program
 - Increase monthly fee from \$217 to \$265 (\$48); Annual increase per farm from \$2,604 to \$3,132 (\$528)
- FY 25-26 Funding gap of \$234,654, increased subsidy of \$57,561
 - Sonoma: Additional contribution of \$43,171 totaling \$169,666
 - Marin: Additional contribution of \$14,390 totaling \$64,988
- Delete vacant .5 FTE Dairy Inspector position – (all options)
- Program Sustainability Challenges
 - Risks of future dairy closures, reduced workloads for remaining FTE and increasing demand for subsidy
 - Lack of inspector back up



Option 2: Local Program with No Fee Increase

- Maintain Local Program with no fee increases
- FY 25-26 Funding gap of \$266,118, increase in subsidy of \$89,025
 - Sonoma: Additional contribution of \$66,769 totaling \$193,264
 - Marin: Additional contribution of \$22,256 totaling \$72,854
- Delete vacant .5 FTE Dairy Inspector position – (all options)
- Program Sustainability Challenges
 - Risks of future dairy closures, reduced workloads, and Increasing demand for subsidy
 - Risks of inspector coverage and back up



Option 3: Return Program to CDFA

- Transfer responsibilities to CDFA, effective January 1, 2026
 - 6 month of DHS operation in FY 2025-2026
- Local fee to remain flat at \$217/month for six months
- FY 25-26 Funding gap of \$133,710, decreased subsidy of \$43,383
 - Sonoma: Reduced contribution of \$32,537, totaling \$93,958
 - Marin: Reduced contribution of \$10,846, totaling \$39,752
 - No ongoing subsidy after 2026
- Delete 2 Dairy Inspector positions
 - Delete vacant .5 FTE Dairy Inspector position – (all options)
 - 1.0 FTE Dairy Inspector – Layoff Required
 - Vacant positions within EHS available

Recommendation and Questions

- Recommended Actions:
 - Receive a report on the status of the Local Dairy Program, recommending the Department continue to administer the Local Dairy Program with Fee Increase
 - Adopt a resolution establishing new and amended fees to recover the reasonable cost of providing services associated with Environmental Health and Safety, Local Dairy Inspection Fees effective August 1, 2025.
 - Adopt a personnel resolution amending the department allocation list for the Department of Health Services deleting a vacant 0.5 full-time equivalent Dairy Inspector allocation, effective August 1, 2025.
 - Adopt a budget resolution authorizing budgetary adjustments to the Department of Health Services Fiscal Year 2025-2026 Adopted Budget by increasing appropriations in the amount of \$57,561 to reflect revenues and expenditures associated with the increase of subsidies.

