



INSPECTION FREQUENCY STANDARD (IFS):

A New Risk-Based Model for Inspecting Food Establishments

City of Austin Health & Human Services Committee

City Hall

August 8, 2018

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May 16 H&HSC Meeting

- Summary of major changes since May 16th meeting:
 - Per Committee input, revised the size thresholds of the three food establishment risk groups to better reflect small-medium sized restaurants:
 - May 16 Proposal: <10, 10-100, 100+ employees
 - Revised Proposal: 1-25, 26-50, 50+ employees
 - Also, deleted market scale descriptions
 - Revised Cost of Service factors for the new size ranges to more accurately reflect worker-hours needed to permit and inspect establishments in each of the nine risk-size classes.

Inspection Frequency Standard (IFS)

- Currently, each fixed food establishment in Austin is programmed for ***two (2) food safety inspections per year.***
 - *Drawback:* all food establishments are inspected at the same frequency (2/YR) regardless of degree of complexity or level of food safety risk posed
- Approx. 12 years ago, the U.S. Food & Drug Administration launched a new standard for food safety inspections: the Inspection Frequency Standard (IFS)

Inspection Frequency Standard (IFS)

- IFS is a risk-based approach based on the U.S. Food & Drug Administration and Centers for Disease Control guidelines that classifies all fixed food establishments as Higher Risk, Medium Risk and Lower Risk based on:
 - The *complexity/ risk* of an establishment's food preparation processes
 - The establishment's use of *control measures* to reduce the risk of foodborne illness: e.g., temperature logs, Certified Food Manager present at all times, handling of ready-to-eat foods with barehands, etc.

Inspection Frequency Standard (IFS)

- **Higher Risk Food Establishments (Tier 3):**
 - Use complex processes: cooling/ re-service; cooking/ re-heating
 - *Example:* A full service restaurant with table service
- **Medium Risk Food Establishments (Tier 2):**
 - Cook some food, but for same-day service
 - *Example:* A pizza parlor, McDonalds, etc.
- **Lower Risk Food Establishments (Tier 1):**
 - Serve pre-packaged foods; Do not cook or re-heat
 - *Example:* Convenience store selling only pre-packaged sandwiches

An Incentive-Based Approach to Risk-Based Inspections

- **Higher Risk** Estab's (Tier 3) are typically inspected 3 times per year
 - A consistently high scoring Tier 3 would require *only* 2 routine inspect's/yr
 - Past 24-month period has an average inspection score of 90 or above
- **Medium Risk** Estab's (Tier 2) are typically inspected 2 times per year
 - A consistently high scoring Tier 2 estab would require *only* 1 inspect/yr
 - Past 24-month period has an average inspection score of 90 or above
 - A consistently low scoring Tier 2 estab would require 3 inspect's/year
 - Past 24-month period has an average inspection score below 80
- **Lower Risk** Estab's (Tier 1) are typically inspected 1 time per year
 - A consistently low scoring Tier 1 estab would require 2 inspect's/year
 - Past 24-month period has an average inspection score below 80

Current Fee Schedule (2 x YR)

<u># of Employees</u>	<u># Estab.</u>	<u>Permit Fee</u>
• 1-9	2750	\$475
• 10-25	1500	\$540
• 26-50	650	\$605
• 51-100	250	\$670
• Over 100	95	\$734

Proposed IFS Fee Schedule

(Inspections 1-3 x YR)

9 Total Categories of Establishments by Risk + Size

- 3 Risk Categories:
 - **3** (higher risk)
 - **2** (medium risk)
 - **1** (lower risk)
- 3 Size Sub-Categories:
 - **A** (>50 emp's)
 - **B** (26-50 emp's)
 - **C** (1-25 emp's)

Original IFS Fee Schedule (1-3 x YR)

Proposed May 16, 2018

<u>IFS Risk Category by Size of Estab.</u>	<u># Estab.</u>	<u>New Fee</u>		<u>Current Fee</u>
• Higher Risk – Larger Size Estab. 3A	588	\$937	↑↑	\$734
• Higher Risk – Medium Size Estab. 3B	1121	\$740	↑↑	\$540-670
• Higher Risk – Smaller Size Estab. 3C	371	\$567	↑	\$475
• Medium Risk – Larger Size Estab. 2A	296	\$597	↓	\$734
• Medium Risk – Medium Size Estab. 2B	877	\$521	↓↓	\$540-670
• Medium Risk – Smaller Size Estab. 2C	552	\$445	↓	\$475
• Lower Risk – Larger Size Estab. 1A	228	\$301	↓↓↓	\$734
• Lower Risk – Medium Size Estab. 1B	474	\$263	↓↓↓	\$540-670
• Lower Risk – Smaller Size Estab. 1C	609	\$225	↓↓↓	\$475

Proposed IFS Fee Schedule (1-3 x YR)

Revised August 8, 2018

<u>IFS Risk Category by Size of Estab.</u>	<u># Estab.</u>	May 16 <u>#</u> <u>Fee</u>	New <u>Fee</u>		Current <u>Fee</u>
• Higher Risk – Larger Size Estab. 3A	224	588 \$937	\$896	↑↑	\$670-734
• Higher Risk – Medium Size Estab. 3B	363	1121 \$740	\$782	↑↑	\$605
• Higher Risk – Smaller Size Estab. 3C	1490	371 \$567	\$601	↑↑	\$475-540
• Medium Risk – Larger Size Estab. 2A	80	296 \$597	\$684	↑↓	\$670-734
• Medium Risk – Medium Size Estab. 2B	179	877 \$521	\$608	↑	\$605
• Medium Risk – Smaller Size Estab. 2C	1474	552 \$445	\$532	↑↓	\$475-540
• Lower Risk – Larger Size Estab. 1A	56	228 \$301	\$416	↓↓↓	\$670-734
• Lower Risk – Medium Size Estab. 1B	62	474 \$263	\$378	↓↓	\$605
• Lower Risk – Smaller Size Estab. 1C	1188	609 \$225	\$359	↓↓	\$475-540

Proposed IFS Fee Schedule (1-3 x YR)

- **IFS Methodology:**

- On August 6, the FY19 CMO Budget was presented to the City Council incorporating 100% cost of service factors and the IFS methodology presented to the Committee on May 16. To adopt the IFS fee schedule summarized in this presentation, including the 90% COS factor for IFS Category 3C, the Committee may direct staff to prepare a budget addendum in support of the fee schedule shown in Slide #10, for consideration by the full City Council during the budget adoption process.

** Cost of Service factors are based on the personnel cost of performing inspections, plus applicable administrative and overhead-related costs*

Proposed IFS Fee Schedule (1-3 x YR)

- Staff recommends a Jan. 1, 2019 effective date for the new fee schedule to allow time for program development and to address recent Travis County legal questions.
- The City Manager's FY19 budget proposed the funding of nine new vehicles for EHSD to replace the ongoing/ daily use of unofficial, un-decaled personal vehicles now used by field inspectors.
- Due to the larger size of the higher-risk Tier 3 category, adoption of IFS will increase the total number of required inspections by approx. 7.5% or 771; this increase will be absorbed by existing staff resources through efficiency measures.

Proposed IFS Fee Schedule (1-3 x YR)

- **Revenue Projections:** Current Approach vs. IFS Approach
 - Current Approach (2 X Year): **\$2,746,730**
 - Proposed IFS Approach (Jan. 1 start): **\$2,822,169**
 - Delta: IFS will generate approx. **\$ 75,439** in ***additional*** FY19 revenues
 - This is a 3.6% increase in revenues, which is less than the 7.5% increase in the total number of inspections that will be required in transitioning from 2 inspections/year to IFS
 - This revenue projection is based on IFS-based collections *starting on Jan. 1, 2019* and includes fees from 129 custodial care facilities

Proposed IFS Fee Schedule (1-3 x YR)

- ***Stakeholder Input:*** The Greater Austin Restaurant Association (GARA) is the local chapter of the Texas Restaurant Association. GARA represents food establishments in Austin and Travis County, and is Austin Public Health's primary stakeholder regarding food-related permit fees & regulations.
- On April 11, staff met with representatives of GARA (including the current and past Presidents) to discuss this IFS proposal. Staff did incorporate a key GARA recommendation (incentives for high-scoring establishments; disincentives for low scorers).

Questions

- For Follow-up & Engagement

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