

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

DEPARTMENT NAME Department of Toxic Substances Control	CONTACT PERSON Sara Benson	TELEPHONE NUMBER (916) 324-2993
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Amendment to Phase I Environmental Site Assessments (Proposed New and Expanding School Sites)		NOTICE FILE NUMBER Z-07-022710

ECONOMIC IMPACT STATEMENT**A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *(Include calculations and assumptions in the rulemaking record.)*

1. Check the appropriate box(es) below to indicate whether this regulation:

- | | |
|---|---|
| <input type="checkbox"/> a. Impacts businesses and/or employees | <input type="checkbox"/> e. Imposes reporting requirements |
| <input type="checkbox"/> b. Impacts small businesses | <input type="checkbox"/> f. Imposes prescriptive instead of performance standards |
| <input type="checkbox"/> c. Impacts jobs or occupations | <input type="checkbox"/> g. Impacts individuals |
| <input type="checkbox"/> d. Impacts California competitiveness | <input checked="" type="checkbox"/> h. None of the above <i>(Explain below. Complete the Fiscal Impact Statement as appropriate.)</i> |

h. *(cont.)* These amended regulations do not impose any mandatory costs over what is already required by existing statute. Specifically any such costs would have been as a result of implementation of Senate Bill 162 (Stats. of 1999, ch. 1002), and Assembly Bill 387 (Stats. of 1999, ch. 992). The amended regulations are designed to reduce overall assessment costs for school districts early in the review process.

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: _____ Describe the types of businesses *(Include nonprofits)*: _____

Enter the number or percentage of total businesses impacted that are small businesses: _____

3. Enter the number of businesses that will be created: _____ eliminated: _____

Explain: _____

4. Indicate the geographic extent of impacts: Statewide Local or regional *(list areas)*: _____

5. Enter the number of jobs created: _____ or eliminated: _____ Describe the types of jobs or occupations impacted: _____

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services?

 Yes No If yes, explain briefly: _____**B. ESTIMATED COSTS** *(Include calculations and assumptions in the rulemaking record.)*1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ n/a

a. Initial costs for a small business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

b. Initial costs for a typical business: \$ _____ Annual ongoing costs: \$ _____ Years: _____

c. Initial costs for an individual: \$ _____ Annual ongoing costs: \$ _____ Years: _____

d. Describe other economic costs that may occur: _____

2. If multiple industries are impacted, enter the share of total costs for each industry: n/a3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *(Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.)*: \$ n/a

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4. Will this regulation directly impact housing costs? Yes No If yes, enter the annual dollar cost per housing unit: \$ _____ and the number of units: _____

5. Are there comparable Federal regulations? Yes No Explain the need for State regulation given the existence or absence of Federal regulations: There are no comparable federal regulations for this specific process; however, DTSC has determined that these regulations should be compatible with the Federal CERCLA regulations related to environmental assessors and "All Appropriate Inquiries." The ASTM Standard E1527-05 is now the nationally recognized standard for conducting Phase Is and is the primary reference for conducting Phase Is for proposed new and expanding school sites. The amended regulations need to be adopted to reflect the new standard and provide other clarifying changes.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ n/a

C. ESTIMATED BENEFITS (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but is encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: This proposed regulation ensures that property is not being purchased as a school site if it has not undergone a vigorous environmental review and also allows early focused assessment efforts if there is reason to believe that only organochlorine pesticides (OCPs) in soil, lead from lead-based paint, or PCBs may contaminate the site. This benefits school age children, school staff, and the community at large. These regulations also benefit school districts seeking State Bond funding to construct and/or expand school sites.

2. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?

Explain: For schools to be eligible for certain types of State Bond funding for school construction/expansion, a Phase I Environmental Site Assessment must be conducted and approved by DTSC prior to purchasing property. These regulations allow a streamlined process for environmental assessments if warranted by site conditions.

3. What are the total statewide benefits from this regulation over its lifetime? \$ _____

D. ALTERNATIVES TO THE REGULATION (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but is encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not here: No other alternatives were considered because school districts cannot obtain State Bond funding until completion of a Phase I Assessment. These amended regulations are intended to allow early detection of OCP contamination (in addition to early detection of lead in soils from lead-based paint and PCBs from transformers that is already in regulation) which, in turn, may result in a less costly and streamlined assessment.

Alternative 1: _____

Alternative 2: _____

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation:	Benefit: \$ _____	Cost: \$ _____
Alternative 1:	Benefit: \$ _____	Cost: \$ _____
Alternative 2:	Benefit: \$ _____	Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: _____

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? Yes No

Explain: _____

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 2-98, electronic)

E. MAJOR REGULATIONS (Include calculations and assumptions in the rulemaking record.) Boards, offices and departments within Cal/EPA are subject to the following additional requirements per Health and Safety Code section 57005.

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? [] Yes [X] No (If No, skip this section.)

2. Briefly describe each equally as effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: \$ _____ Cost-effectiveness ratio: _____

Alternative 1: \$ _____ Cost-effectiveness ratio: _____

Alternative 2: \$ _____ Cost-effectiveness ratio: _____

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

[] 1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

[] a. is provided in (Item _____, Budget Act of _____) or (Chapter _____, Statutes of _____).

[] b. will be requested in the _____ Governor's Budget for appropriation in Budget Act of _____ (FISCAL YEAR)

[] 2. Additional expenditures of approximately \$ _____ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

[] a. implements the Federal mandate contained in _____.

[] b. implements the court mandate set forth by the _____ court in the case of _____ vs _____.

[] c. implements a mandate of the people of this State expressed in their approval of Proposition No. _____ at the _____ election. (DATE)

[] d. is issued only in response to a specific request from the _____, which is/are the only local entity(s) affected.

[] e. will be fully financed from the _____ authorized by (FEES, REVENUE, ETC.)

Section _____ of the _____ Code.

[] f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.

[] 3. Savings of approximately \$ _____ annually.

[X] 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.

[] 5. No fiscal impact exists because this regulation does not affect any local entity or program.

[] Other: _____

6.

ECONOMIC AND FISCAL IMPACT STATEMENT *cont.* (STD. 399, Rev. 2-98, electronic)

B. FISCAL EFFECT ON STATE GOVERNMENT

(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

- 1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year. It is anticipated that State agencies will:
 - a. be able to absorb these additional costs within their existing budgets and resources.
 - b. request an increase in the currently authorized budget level for the _____ fiscal year.
- 2. Savings of approximately \$ _____ in the current State Fiscal Year.
- 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- 4. Other: The completion of a Phase I Assessment as outlined in the regulations would have minimal fiscal impact on DTSC because the regulations merely clarify Phase I activities required by current law. The amended regulations could result in some additional costs for DTSC to review additional chemical analysis data related to OCPs. However, any costs for DTSC to review Phase I data would be reimbursed by the school district and would be minor compared to costs school districts might incur if a proposed schoolsite must complete a Preliminary Endangerment Assessment.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS

(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

- 1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year.
- 2. Savings of approximately \$ _____ in the current State Fiscal Year.
- 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- Other: _____
- 4.

SIGNATURE 	TITLE _____	
AGENCY SECRETARY ¹ APPROVAL/CONCURRENCE		DATE
DEPARTMENT OF FINANCE ² APPROVAL/CONCURRENCE	PROGRAM BUDGET MANAGER 	DATE

1. *The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*
2. *Finance approval and signature is required when SAM sections 6600-6670 require completion of the Fiscal Impact Statement in the STD. 399. However, Finance must immediately receive a copy of each STD. 399 submitted to OAL without Finance signature, and Finance may subsequently question the "no fiscal impact" finding of a state agency.*