

January 05, 2024

Yana Garcia, Secretary
California Environmental Protection Agency
1001 I Street
Sacramento, CA 95814

Dear Secretary Yana Garcia,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Toxic Substances Control submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact Aaron Robertson, Deputy Director, at (916) 708-2671, Aaron.Robertson@dtsc.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Mission

The mission of the Department of Toxic Substances Control (DTSC or Department) is to protect California's people, communities, and environment from toxic substances, to enhance economic vitality by restoring contaminated land, and to compel manufacturers to make safer consumer products.

Strategic Goals

The strategic plan for 2020-2024 has five strategic goals:

- Building Strong Partnerships to collaborate with all stakeholders
- Promoting Environmental Justice to prevent harm and protect the most vulnerable
- Delivering High-Performing Programs and Services effectively and on time
- Enhancing our Organizational Health so that we are more inclusive, productive, and accountable
- Improving our Fiscal Stewardship through greater transparency, fortified by secure and reliable funding

Strong Partnerships Objectives

- We will be transparent and cultivate public understanding of our work by meeting with stakeholders and providing them with opportunities to be involved early in our processes. We will provide clarity to communities, regulated businesses, tribes, and other government stakeholders about our processes and involve them in our decision-making.

- We will provide access to clear, relevant, and timely information. This includes providing information in plain language, making more information available in languages other than English, providing easily searchable and accessible online information, and connecting the public with knowledgeable and responsive staff. This will help our partners understand what we are doing, why we are doing it, and how to be part of the process.
- We will strengthen government partnerships to find coordinated solutions that prevent and address contamination in air, soil, and water. Because many environmental problems span multiple responsible agencies, we will do this by leveraging resources, sharing data and expertise, and using complementary legal authorities.
- We will build capacity to engage tribal nations and communities consistently, effectively, and respectfully. By engaging tribal governments and indigenous communities in the development of policies, programs, and projects, we will deepen our understanding of and responsiveness to the current realities of tribes in California. We will train staff on tribal histories and indigenous environmental justice, so that DTSC can engage directly and effectively with tribes. With increased understanding of the history of tribal nations, along with federal and state laws, DTSC can better support tribes in protecting their cultural resources, public health, and environment.
- We will partner with regulated businesses, provide them with current information, and educate them on their responsibilities to comply with hazardous waste statutes and regulations. This type of partnership increases compliance, reduces violations, and helps better protect communities and the environment.
- We will be proactive in communicating clear requirements and expectations for businesses seeking a permit or permit. This involves providing clear expectations for the content of permit applications, providing concise descriptions of the permitting process, and clarifying the rules and requirements applicable to their operations.
- We will leverage stakeholder knowledge to gather useful information and inform decisions in the Safer Consumer Products (SCP) program. We will also ensure stakeholders have access to clear, relevant, and timely information, and that they understand the basis for SCP decision-

Environmental Justice Objectives

- We will meet our civil rights obligations and improve access to This process starts with asking communities and tribes how we can best partner in ways that are appropriate, respectful, and helpful. We will promote open dialogue with affected communities to better understand their needs, proactively pursue opportunities to meet those needs, and openly share our limitations. We will improve access to technical information and expand public involvement in environmental decision-making.
- We will integrate community knowledge and other forms of environmental justice research and data into our decision-making. Recognizing community knowledge—including traditional, local, and indigenous knowledge—helps grow partnerships and results in government serving communities better. This type of knowledge is based on the observations and personal experiences of community members, and often yields a more holistic approach to defining and solving problems.
- We will identify cumulative impacts in the communities we serve and will incorporate

solutions to better protect vulnerable In pursuing environmental justice, DTSC's decisions must consider the cumulative impacts of pollution, health disparities, and other social vulnerabilities on affected communities. We will be accessible, reliable, and responsive where community concerns are being voiced.

High-Performing Programs and Services Objectives

- We will accelerate decision-making by implementing streamlined processes for regulation development, permitting decisions, criminal investigations, site cleanups, and prioritization of products for which safer alternatives should be sought.
- We will improve processes and tools to enable staff to meet program
- We will streamline workload and data tracking to improve resource management and project
- We will use a systematic governance process to prioritize DTSC's programs and services and ensure alignment with strategic priorities and available resources.
- We will use the best available scientific methods, engage experts across scientific disciplines, and provide clear and accessible scientific information in our risk communication, technical reports, and data presentations.
- We will streamline DTSC's voluntary cleanup process to efficiently support the return of brownfields to productive use in a timely manner, while maintaining rigorous decision-making that protects communities and the environment.
- We will streamline enforcement to improve DTSC's ability to hold violators of Hazardous Waste Control Laws accountable.

Organizational Health Objectives

- We will recruit, develop, and retain a highly diverse and effective workforce committed to professional excellence and delivering on DTSC's Mission.
- We will improve internal communication channels to enhance employee engagement with consistent, timely We will facilitate methods for DTSC staff to communicate their innovative ideas and perspectives about program improvements, and to provide feedback on management effectiveness.
- We will ensure employee field, laboratory, and office safety and promote employee health, safety, and well-being by implementing best practices to minimize employee illnesses and injuries. We will support employee health and well-being with improved policies and procedures to support worker safety.
- We will build a professional, inclusive workplace where staff feel heard, supported, and valued. Enhance staff's understanding of what it means to be inclusive in their delivery of programs and services to diverse communities.

Fiscal Stewardship Objectives

- We will implement a strategic budget planning process that prioritizes resource
- We will work with stakeholders to develop a financial model that ensures DTSC programs and services are funded to support core activities and strategic initiatives, and that is flexible enough to provide for future changes in statutory requirements.
- We will improve our financial management tools to ensure prudent stewardship of

budgeted resources to meet operational needs.

Entities Under Reporting Responsibility

DTSC employs scientists, engineers, toxicologists, chemists, geologists, attorneys, criminal investigators, and specialized administrative staff. DTSC employees are geographically located in ten offices throughout the state, including two environmental chemistry laboratories in Berkeley and Pasadena.

DTSC is organized around three core programs:

- **Site Mitigation and Restoration Program (SMRP)** – Chapters 5, 6.8, 6.82, 6.83, and 6.86 of Division 20 of the California Health and Safety Code (HSC) provide authority for the cleanup and restoration of contaminated sites throughout the State, including corrective action sites (e.g. Exide), legacy landfills (e.g., Stringfellow Acid Pits and the BKK Landfill), the Santa Susana Field Laboratory, federal facilities such as former military bases and Department of Energy sites, former industrial properties, mines, and school construction sites.
- **Hazardous Waste Management Program (HWMP)** – Chapter 5 of Division 20 of the HSC provides authority for: permitting hazardous waste facilities (104) in California that treat, store, and dispose of hazardous waste; registering waste hazardous waste transporters (approximately 870); overseeing the hazardous waste generator program; and conducting inspections and taking enforcement actions to ensure compliance with hazardous waste laws and regulations. HWMP performs emergency response functions per Chapter 6.8 of Division 20 of the HSC. HWMP also is the Certified Unified Program Agency (CUPA) for Imperial and Trinity Counties and assists CalEPA in the auditing of all CUPAs on their hazardous waste generator programs. In addition to the Permitting Division and Enforcement and Emergency Response (EERD) Divisions, the HWMP houses the Office of Criminal Investigations (OCI) and the Policy and Program Support Branch (PPSB). The former investigates criminal violations of hazardous waste laws. The latter oversees policy development, industry assistance, and program implementation, such as coordination of Resource Conservation and Recovery Act (RCRA) grant compliance, electronic hazardous waste handling and disposal, and certified appliance recycling.
- **Safer Consumer Products Program (SCPP)** – Article 14 of Chapter 6.5 of Division 20 of the HSC provides authority to adopt green chemistry regulations. Pursuant to the regulations, SCP's primary responsibility is to identify candidate chemicals for consideration as chemicals of concern, identify and prioritize products that contain one or more of the candidate chemicals, evaluate alternatives, and adopt a regulatory response when necessary to protect human health or the environment.

The following divisions support DTSC's core programs:

- **Executive Office** – This office provides the following services:
 - The **Office of Legislation and Regulatory Review (LRR)** is responsible for coordinating, analyzing, and recommending actions on state and federal

legislative proposals impacting DTSC. The office also coordinates DTSC rulemaking and serves as the primary liaison between DTSC's programs, the California Legislature, the Office of Administrative Law, and external interest groups.

- The **Office of Civil Rights (OCR)** administers DTSC's Equal Employment Opportunity Program consistent with state and federal law, Language Access Program, and employee wellness and Diversity, Equity, Inclusion and Belonging educational programs and monthly employee messaging.
 - The **Office of Performance Management and Program Review (PMPR)** coordinates and tracks efficiency improvements, facilitates strategic planning, conducts systematic and data-driven reviews of programs and services, and aids the Executive Office in identifying risks and establishing an effective control
- **Financial Planning** – This office is responsible for providing financial support services in such areas as accounting, budgeting, financial services, collections, and fiscal policy and process improvement.
 - **Office of Administrative Services (OAS)** – This office is responsible for providing administrative support services in such areas as contracts, procurement, human resources, training, records management, fleet, and facility management, supplies and equipment management, and health and safety.
 - **Office of the Board of Environmental Safety** – This Office provides administrative and technical support to Board of Environmental Safety (BES) and provides Ombudsperson support and appeals review and tracking through resolution support to the public and regulated community.
 - **Office of Communications** – This office is primarily responsible for DTSC's internal and external communication through various platforms involving print, web, and video. It also handles inquiries about DTSC's work and assists staff with providing timely, accurate, and understandable information to media outlets and their audiences.
 - **Office of Environmental Equity (OEE)** – This office oversees three programs: Environmental Justice, Public Participation, and Tribal Affairs. The Environmental Justice Program is responsible for ensuring the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. The Public Participation Program is charged with ensuring that the public is informed and involved early in DTSC's decision-making process on issues impacting them. The Public Participation Program organizes public meetings, workshops, and other events; develops and makes available a variety of written materials; responds to inquiries; and provides training on risk communication. The Tribal Affairs Program is responsible for engagement and government-to-government consultation with tribes.
 - **Office of Environmental Information Management (OEIM)** – This office supports DTSC's information technology needs, including software and hardware acquisition, standardization, information security, and OEIM also provides network and user support services, develops and supports various information technology applications critical to DTSC, and oversees the e-Manifest system for hazardous waste transporters.
 - **Office of Legal Counsel (OLC)** — This office provides legal advice and representation for DTSC.
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- **Environmental Chemistry Laboratory (ECL)** – This office provides DTSC and other agencies with expertise and laboratory capacity in the areas of analytical chemistry and biochemistry. The ECL serves as California's reference laboratory for the identification and measurement of concentrations of toxic chemicals in many different media, including air, water, soil, hazardous waste streams, consumer products, and biological or human. ECL also conducts research on toxic materials, develops analytical methods for new contaminants of concern, and provides technical support to field staff on analytical results.

Board of Environmental Safety/Office of Environmental Safety (BES)

In 2021, Chapter 73, Statutes of 2021 (SB 158) established the Board of Environmental Safety to improve DTSC's transparency, accountability, and fiscal stability as well as analyze DTSC's programs and relationship to related programs to determine if duplication or overlap of work exists. The five-member board formed in March 2022 hears permit appeals, sets fee levels through regulation, and provides strategic guidance to the Department.

Control Environment

Demonstration of Integrity and Ethical Values

The Strategic Plan sets the tone for integrity and ethical values by promising to reflect the following core values in all interactions: respect, leadership, teamwork, quality and professionalism, integrity, and diversity, equity, and inclusion.

DTSC's Workplace Guidelines and Staff Expectations cover the Department's values, service expectations, workplace expectations, and work schedules. They also reference and summarize 17 policies on how employees should conduct themselves at work. The onboarding handbook has Internet links to the 18 guidelines and policies, and new hires must acknowledge receipt of them in writing. The Workplace Guidelines and Staff Expectations instruct employees to consult with their immediate supervisor if they have any questions concerning the guidelines.

DTSC requires compliance training, including training in sexual harassment prevention, IT privacy and security, equal employment opportunity, telework and remote access security for employees who telework, and mandated ethics training for employees who are required to complete the Statement of Economic Interest Form 700. In general, employees are encouraged to report ethical concerns to their supervisors, who receive instruction on how to properly respond in their required manager and supervisor training.

Oversight

The Secretary of Environmental Protection (Secretary) provides the highest level of oversight for DTSC, next to the Governor. DTSC's Director and Chief Deputy Director meet weekly with the California Environmental Protection Agency (CalEPA) Secretary or Undersecretary for Environmental Protection to enhance control environment coordination and consistency. Another member of the CalEPA's executive management, the Chief Information Officer, oversees the management of DTSC's information assets, projects, data systems, infrastructure,

services, and telecommunications.

The Director and Chief Deputy Director lead the Executive Team. Deputy Directors with the appropriate programmatic expertise are responsible for each of three core programs. An Assistant Deputy Director with programmatic expertise in the SMRP is assigned to manage the Exide cleanup project and the Office of Environmental Equity. The 9 remaining Executive Team members are responsible for DTSC's support programs and have specialized expertise in the programs they lead. Capabilities expected of Executive Team members include integrity and ethical values, leadership, critical thinking, and problem-solving abilities. The Executive Team meets weekly to discuss DTSC's operations and risks, evaluate controls for those risks, and make oversight decisions.

Organizational Structure Programs have varying levels of management, number of divisions and work units, and degree of job specialization, depending on their size. Oversight for all layers of management is conducted with weekly one-on-one meetings between employees and supervisors, work unit staff meetings, and annual performance evaluations.

The organizational structure ensures appropriate levels of responsibility and authority through hierarchical reporting, job specialization, functional work units, and geographic dispersion to reflect the location of work in the field and impacted communities. Roles and responsibilities are well defined, and strong lines of authority, control, collaboration, and communication are fostered and maintained throughout DTSC.

Maintenance of Control System Documentation

The Executive Team memorializes its meeting discussions and decisions in a Weekly Tactical Summary. Executive staff meets regularly to monitor the progress of the objectives set forth in the strategic plan.

DTSC programs develop, update, and maintain policies, procedures, guidelines, and memoranda relevant to program purview. The Director or Chief Deputy Director signs all policies and departmental procedures memoranda (DPMs). DTSC emails new and updated policies, DPMs, and related guidance to the appropriate staff and posts many of them on the staff intranet.

Accountability Enforcement

The Department maintains accountability by enforcing policies, procedures, and guidance documents that establish what decisions require approval, and at what level. Documents requesting expenditures, such as travel requests and expense information, reflect the policies or guidance by stating the levels of authority from which signatures must be received. Cover sheet templates for many technical documents also reinforce the policies or guidance by stating who must sign them.

Programs have delegation of authority tables that specify the authority levels required to sign documents and make decisions. All management levels are expected to enforce accountability, up to and including the Director. The mechanisms range from informal feedback to disciplinary action, depending on the significance of the deficiency, with annual

performance appraisals playing an especially important role. The Human Resources Office, OCR, and Labor Relations have consultation and enforcement roles in the case of disciplinary action.

DTSC has several controls for the risk of unreasonable/excessive pressures, which could lead to improper activities to meet perceived responsibilities. Duty statements, which cover work responsibilities and the percentage of time that an employee is expected to devote to each of them, are a partial control. Managers and supervisors are encouraged to discuss workload issues with the employees they supervise during weekly check-ins, annual performance reviews, staff meetings, and other opportunities. Employees also are encouraged to elevate their concerns by taking them to a higher management level, the Office of Human Resources, OCR, or their union.

Information and Communication

The Office of Communications has worked in partnership across DTSC programs to develop innovative channels for internal communications. Monthly All-Staff and All-Managers and Supervisors meetings, along with “Lunch and Learn” sessions provide for more consistent interaction among Deputies and team members. They allow for questions to be answered openly and for messaging on key issues to be distributed across a broader audience. They are also recorded and made available on the DTSC intranet. In addition, the Office of Communications sends out a monthly newsletter to DTSC employees, keeping them informed about what’s happening across the department. Significant improvements have also been made to the intranet for new and existing employees, and it has become a trusted and user-friendly information portal.

The Office of Communications regularly surveys employees after all-staff and all-manager meetings to measure effectiveness and makes improvements accordingly. In addition, the office considers data from DTSC’s annual employee engagement surveys, and continuously seeks to improve communication down, up, and across DTSC.

Process to Collect and Communicate Information

All DTSC work units collect information pertaining to objectives and risks. Policies and procedures specify how this internal or external information is stored, shared, and used. Unit managers decide if it is relevant and reliable. They make decisions based on the information or elevate it to senior management. Senior management, in turn, shares critical information with the Director, Chief Deputy Director and/or the Executive Team at bi-weekly meetings. At the request of the Director or Chief Deputy Director, they submit written reports for discussion or make formal presentations.

DTSC’s management uses communications strategies and tools to advance its objectives and address risks. It often delegates communications projects to a program manager, who acts as the sponsor. The project sponsor appoints a project team consisting of subject matter experts, an IT expert from OEIM if the project involves the presentation of complex data, and for external communications, a communications or public participation professional from the Office of Communications or OEE, depending on the project. The subject matter experts determine the message, audience, and deadlines. The IT, communications, and public

participation professionals design the communications strategy.

The project team uses project management practices tactics throughout the process. The team leader submits the proposed communications strategy to the project sponsor for approval. Senior management and the Director or Chief Deputy Director generally approve the strategy as well.

Communication Channels

Several communication channels facilitate information flow in multiple directions within DTSC. Meetings, webinars, email and other written correspondence, the staff intranet, and KPI dashboards allow information to flow up, down, and across the organization. EnviroStor, a data management system for DTSC's cleanup, permitting, enforcement, and investigative activities that is used to plan, schedule activities, upload documents, monitor workflow, track activities, and generate reports, also promotes multi-directional information flow. Responses to management surveys are a channel for communicating up the organization. Channels for communicating down the organization include cascading communications from supervisor to supervised employees originating from management, the employee newsletter, onboarding information, and training. Channels for communicating across the organization include: inter-departmental workgroups such as the RCRA Corrective Action Workgroup and the Diversity and Inclusion Council, liaisons, points of contact with other DTSC work units or programs, FP&CS meetings with other programs on expenditures and revenues, and strategic plan goal and prioritized action teams.

Channels for communicating with other governmental organizations include: written correspondence, legislative hearings, the CalEPA Environmental Justice and Compliance Work Group, regularly scheduled high-level meetings with representatives of other CalEPA boards, departments, and offices, DTSC-U.S.EPA RCRA meetings and reporting, the budget process with CalEPA and the Department of Finance, tribal outreach and engagement activities, consultation with tribes with respect to their cultural resources, referrals from local, state, and federal agencies for OCI investigation, CUPA evaluations, the Unified Program Trainers Committee, multi-entity investigations and task forces, other collaborations and partnerships, personal contacts and liaison roles, quarterly revenue meetings with the California Department of Tax and Fee Administration, and financial reporting for the State Controller 's Office.

DTSC uses many information channels to communicate with external stakeholders. It conducts quarterly informational meetings for all stakeholders, community workshops, and public webinars. It utilizes EnviroStor to provide external users with non-confidential information and documents on cleanup, permitting, enforcement, and investigative activities. It maintains CalSAFER, an information system on SCP's regulatory activities for responsible parties and other external stakeholders. It sends email alerts and mailings regarding regulatory proposals and actions. It issues news releases, develops fact sheets, advisories, and answers to frequently asked questions, conducts required and recommended public participation activities for its permitting and cleanup work and solicits and responds to public comments on regulatory proposals. DTSC also maintains a public website that was revamped and improved in 2019 and utilizes social media platforms, personal contacts, point of contact liaisons, informal

meetings, community advisory groups, environmental justice task forces, supplemental environmental projects, symposiums, and other collaborations and partnerships to reach our intended audiences. Other important channels are responses to Public Records Act requests, Green Ribbon Science Panel, California Compliance School, Regulatory Assistance Program, Environmental Complain System, DTSC Hazardous Waste Alert Hotline, and IVAN (Identifying Violations Affecting Neighborhoods) networks.

Process to Report Inappropriate Actions and Inefficiencies

DTSC has processes in place for employees to report inefficiencies and inappropriate actions to management and other decision makers.

When appropriate, DTSC's workplace policies provide information on how to report ethical issues. DTSC's Workforce and Violence and Bullying Prevention Policy, for example, requires employees to report immediately all threats or acts of violence without fear of reprisal, and it provides information on incident reporting and investigative procedures. A Workplace Violence Prevention Committee is responsible for assessing DTSC's vulnerability to workplace violence and auditing complaints.

Managers and supervisors are responsible for ensuring compliance, including taking appropriate corrective or disciplinary action. Additionally, OCR offers alternative dispute resolution for employees in conflict. Its goal is to resolve workplace conflicts at the lowest level possible, while at the same time improving workplace communication and morale. OCR provides information about this program on the staff intranet. In another example, DTSC's sexual harassment policy states that any individual working or participating in the services or programs of DTSC who believes they have been sexually harassed or has observed what they believe to be sexual harassment has an obligation to report the potential violations. DTSC's sexual harassment policy makes clear the expectation that managers and supervisors must work proactively to ensure a work environment free of sexual harassment. It also states that they may be subject to corrective action or formal discipline for failing to carry out their duties in enforcing the policy.

OCR provides information on the staff intranet on how to file a discrimination, harassment, or retaliation complaint based on protected rights. The web page explains the recourse alternatives: discussing concerns with an Equal Employment Opportunity investigator, filing a verbal or written complaint with the supervisor, filing a complaint with OCR, and filing a complaint with the Equal Employment Opportunity Commission or California Department of Fair Employment and Housing. There is a link on the web page to a DTSC form for transmitting complaints to OCR.

Pursuant to Labor Code Section 1102.8(a), DTSC posts information on the Employee's Whistleblower Protection Act in locations where employee notices are maintained. Pursuant to Government Code Section 8548.2, DTSC posts a notice on reporting improper activity in those locations. Once a year, management sends staff the California State Auditor's brochure on Reporting Improper Activity.

DTSC seeks to ingrain efficiency improvements in core and support program work by encouraging process improvement training by CalHR and has embarked on 18 formal process

improvement initiatives. DTSC tracks the status of these improvements on the staff intranet for management decision-making and staff informational benefit. DTSC occasionally forms cross-functional teams to make recommendations for efficiency improvements, such as the RCRA Correction Action Team to address progress toward meeting the Department's U.S. EPA 2020 Corrective Action Baseline commitments, formed in 2019. Twenty-one strategic plan prioritized actions call for new processes, improved processes, or process tracking.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Department of Toxic Substances Control monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Meredith Williams, Director.

Confirming Effectiveness of Internal Control System

DTSC uses its strategic planning process to improve its internal controls and monitor progress. This process begins with the development of program-level strategic plans or work plans. All core programs and several support programs create these plans and generally update them annually. They are the product of collaboration from all levels of staff. Most program plans have key performance indicators (KPIs) that staff track closely. DTSC managers create action plans to implement them, thereby addressing gaps in organizational performance and risk exposures. The strategic planning process for the entire Department, currently on a five-year cycle, carefully considers the program plans for risks and controls. Many of the program initiatives are elevated to the Department plan, and additional goals, goal objectives, and prioritized actions are developed for risks that were not included in the program plans or cut across multiple programs. DTSC held numerous meetings for its managers and supervisors, webinars for its entire staff, and webinars for public stakeholders to discuss a draft of the current plan. DTSC also accepted written comments from its staff and public stakeholders. DTSC used the suggestions to make numerous improvements to the draft plan and include KPIs for each goal. DTSC tracks performance and will communicate results internally and externally.

DTSC uses the SLAA cycle to monitor controls for significant risks. Designated risk owners suggest control activities to reduce the identified risks. Management reviews and approves the activities, after which the risk owners implement them. The risk owners document their control activities in policies, procedures, and similar documents, and they provide updates and schedules for future activities in the SLAA implementation plans.

Comparing Results to Expectations

The Executive Team evaluates the control activities near the end of the two-year cycle and determines whether there are any remaining vulnerabilities. Results are compared to expectations, using KPI information, other data, and information gleaned from team meetings and external reviews. If vulnerabilities are found for a reported risk, the risk is considered for inclusion in the following SLAA report.

Periodic Detailed Reviews

External Reviews:

- Chapter 24, Statutes of 2015 (SB 83) established within DTSC a three-member Independent Review Panel (IRP) to review the Department and make recommendations to improve its The IRP held 28 public meetings and submitted 12 reports to the Governor and Legislature from November 2015 through December 2017. The reports offered 34 recommendations for the Governor and Legislature, 46 recommendations for DTSC, and 23 performance metrics for DTSC consideration. DTCS's strategic plan and program-level plans address many IRP recommendations. DTSC tracks its implementation of the recommendations and performance metrics.
- DTSC requested a financial audit that was conducted by DOF's Office of State Audits and Evaluation in 2019. DTSC plans to undergo similar audits every three to five years going forward. The Department also undergoes periodic outside audits of expenditures associated with the Exide cleanup, required by statute.

Monitoring of Progress

DTSC's Executive Management Team meets monthly to review strategic plan progress, make changes, and address emerging risks. The Executive Management Team is comprised of the Executive Team and other members of management and chaired by the Department's Chief Deputy Director, who is the SLAA Executive Monitoring Sponsor. DTSC's Goal Teams implement the prioritized actions that support the goal objectives, recommend new prioritized actions, monitor and report on KPI success, adjust and develop new KPIs, and report to the Executive Management Team the status of achievements and roadblocks. Each Goal Team is chaired by a Goal Steward, who is a member of the Executive Management Team. The Executive Management Team also appoints a Goal Objective Sponsor for each goal objective. The Goal Stewards designate an Action Manager for each prioritized action. This person develops the prioritized action workplan and ensures that the prioritized action is delivered on budget, on schedule, and within scope. The Action Manager does so by leading and working with a Prioritized Action Team.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Toxic Substances Control risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, employee engagement surveys, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Inadequate Revenues to sustain the Hazardous Waste Control Account.

DTSC fee reform bill, Chapter 73, Statutes of 2021 (SB 158), was enacted, in part, to create an equitable fee framework and to address historical funding shortfalls. SB 158 restructured DTSC fees by consolidating multiple fees into one, the Generation and Handling Fee (G&H Fee). In 2022-23, the first year of reform implementation, the G&H fee substantially underperformed DTSC's estimates, generating only \$43 million of the \$81 million estimated in reform. In order to meet DTSC's statutory and regulatory mandates, adequate funding is needed to sustain operations funded by the Hazardous Waste Control Account (HWCA).

Control: Analysis of shortfall and recommended solution

In 2023-24, DTSC was provided resources to assess the revenue shortfall and has partnered with California Department of Tax and Fee Administration (CDTFA), the administrators of the G&H Fee, to conduct a root cause analysis of the shortfall and propose solutions to achieve fiscal stability. While this analysis is still ongoing, DTSC has identified initial drivers of the shortfall to be related to feepayer compliance, high use of fee exemptions, and a reliance on poor data. DTSC is working with the Legislature and stakeholders on long-term solutions that adequately support DTSC's mission of protecting human health and the environment in the course of managing hazardous waste.

Control: Increased data collection to enhance fee oversight

To address the data gaps and enhance stakeholder engagement, DTSC and CDTFA have collaborated to modify the fee return process and increased public outreach. Moving forward, the fee return process will include itemized waste reporting that will provide a nexus to DTSC waste generation data. This data will be used to enhance oversight of the fee and increase fee compliance. Additionally, both departments have increased communications with generators, issuing special public notices and updating websites to provide clarification on the fee return process.

Risk: Workplace infrastructure is too restrictive and is limited in its ability to adapt to changes to support a hybrid workforce.

DTSC must create a flexible, adaptable, resilient workplace infrastructure to accommodate changes in access and operations during emergencies. As demonstrated by wildfire activity and pandemic disease spread, DTSC's offices must be resilient, adaptable, and flexible enough to account for rapid changes in staffing models.

Risks to DTSC's ability to maintain functional and efficient offices include:

- Increasing incidents of office closures and modified work schedules due to wildfires and other disasters
- Changing work schedules due to new work-from-home or hybrid models
- Competing pressures of both BL 20-37 (requiring expenditure reductions and reconfiguration of workspaces to reduce the State's leased space) and of increased

site clean-up file storage requirements (i.e., Exide).

Increases in wildfire activity has forced offices to close for short periods or reduce workforce due to evacuation orders and heavy smoke/bad air quality concerns. These can adversely affect DTSCs ability to maintain staff in-office for required functions.

Pandemic responses have forced DTSC to implement modified work schedules and greatly expand work-from-home hours. This can reduce the number of staff in an office but increases the chances of technology issues that can sever connectivity to work-from-home staff, forcing them to return to the office to complete their work.

BL 20-37 requires state agencies to identify space reduction opportunities. Many of these can be met using modified office schedules (e.g., 3 days/week at home, 2 days/week in the office). Any reduction must be tempered by the increase in workload involving site mitigation and cleanup projects that often require massive amounts of file generation and storage prior to movement to the State Records Center.

Additionally, DTSC must be prepared to handle long-term office outages and staff shifts while still complying with space reduction requirements.

Control: Developed a Strategic Facilities Plan

DTSC is in the process of developing a five-year comprehensive facilities plan that helps drive decisions in leasing, office configuration/economizing space, and scheduling/hoteling of cubicles. This reduces risk by frequently reexamining DTSC's leases and space usage to grow or shrink space based on needs for a specific region.

DTSC's facilities plan will be updated frequently to account for changing workplace conditions. This reduces risk by ensuring DTSC's offices have adequate room to account for changing staff loads, storage space for site mitigation and cleanup projects, and legislative requirements.

Control: Space optimization to support hybrid workforce

DTSC is currently utilizing the geographic information system ESRI to map all DTSC buildings and a space reservation system has been developed for staff to utilize when office space is required. This system:

- Creates a digital floor plan that can be filtered and viewed by program/reporting
- Facilitates space reservations for staff not assigned to a specific workspace or who work primarily from home.
- Provides reporting on the percentage of space
- Enhances DTSC's emergency procedures by always having a current floor plan digitally available.

The ESRI system listed above enables DTSC to make decisions in real time regarding space utilization and optimization, assist staff with accountability during emergencies, and enable more efficient asset management.

Risk: Establishing and maintaining a diverse, resilient, and competent workforce.

DTSC has a highly technical and specialized workforce. Employees once onboarded, often spend the majority of their state career within the CalEPA environment. As a result, DTSC's staff demographics are at or above the minimum retirement age. While this provides the department with a strong competent workforce, it does create a significant need for the department to enact the objectives set forth in the DTSC's workforce and succession plans. The training, development, and knowledge transfer to new employees is key to the long-term health of the organization. Succession management supports workforce planning by developing internal resources to prepare for turnover, capture and retain institutional knowledge and maintain continuity of critical business functions.

The cultural response to the safety measures implemented during the pandemic has brought to light the changing requirements of the modern workforce and highlighted the need to establish a diverse and resilient labor force as well as work-life balance. This criterion has impacted recruiting efforts, and the Department is adapting to this change.

Control: Implemented a Recruitment Strategies Plan

DTSC regularly assesses the Recruitment Strategies Plan and has developed several strategies to enhance the quantity and quality of applicants. This includes implementing recruitment strategies for hard-to-recruit classifications, building relationships with local and national colleges that have programs aligned with DTSC's mission, and participating in job fairs hosted in the communities that the department serves.

The Capitol Cohort on Racial Equity (CCORE) initiative increases government employees' knowledge and understanding of strategies that promote racial equity, creates a cross-sector learning forum, and provides networking opportunities. In support of CCORE, the Department participates in a cohort that strategizes ways in which all departments under CalEPA can enhance the diversity, equity, and inclusion of the workforce. As a result, DTSC has expanded the number of platforms used to advertise positions. Web-based applications that survey prospective employees are used to evaluate the efficacy of DTSC's efforts to recruit in underserved communities.

Control: Enhanced training for employee development and engagement

DTSC has launched substantial efforts to enhance departmental training opportunities. Under the Executive Leadership Program, DTSC provides leaders with external professional coaches on an ad-hoc basis to improve leadership competency skills.

DTSC established a training academy for non-supervisory staff who possess an interest in pursuing leadership opportunities. The DTSC Aspiring Leaders Program provides training to employees who are interested in developing the skills and competencies necessary to become successful leaders. This training program uses a cohort format and consists of six courses designed to foster organizational excellence and leadership. This training program empowers staff to succeed in all aspects of their professional development.

In early 2022, the Office of Communications will be launched a monthly New Employee Orientation, to welcome new staff, help them navigate the organization, and better connect with each other.

Risk: Outdated technological solutions for records management and emergency response activities.

DTSC does not have adequate technological solutions to manage and track both programmatic and administrative functions. A build-out of the Department's technological infrastructure is needed for the department to meet legislative and regulatory mandates. As a regulatory department, DTSC generates high volumes of records for sites and remediation efforts at sites can last decades.

Additionally, the pandemic highlighted the Department's need for a Mass Notification System that would enable the Department to rapidly notify staff of office status, evacuation orders, or temporary relocation of work location based on office location, home location, or other parameters.

Control: Established processes and procedures to enable a streamlined migration to a trusted system.

Due to the high volume of records DTSC generates and maintains, the creation, receipt, maintenance, use, and disposal of records has become a major focus of the OAS. The Secretary of State (SOS) issues uniform statewide standards for electronic record management. For DTSC to convert records to an electronic platform, a trusted system must be established in accordance with SOS standards. State agencies are expected to have a trusted system in place by 2026 or paper records must continue to be stored . DTSC's OLC, OAS, and OEIM are engaging in the procurement of an appropriate platform or enhancements to existing systems. In combination with departmental policies and procedures, the platform must ensure there is no plausible scenario in which a public record could substantially differ from the original.

Until a trusted system is in place, DTSC has detailed policies and procedures on the management of hard copy files. These guiding documents were developed, in part, to format documents in such a way as to streamline with the migration to a trusted system. Retention Schedules are maintained for all programs and are frequently updated to include electronic records.

Additionally, OEIM is actively reviewing and identifying where existing DTSC systems and procedures can be updated, modified, or enhanced to ensure we are meeting all outlined requirements. A project is currently being scoped to make improvements to our EnviroStor data/image capture system, where publicly available site/facility specific records are stored, to meet requirements. All future systems where electronic images are stored will be regularly reviewed.

Control: DTSC is actively engaging in the procurement of a mass notification system that will allow DTSC to automate staff notifications during emergencies.

Due to the large footprint of DTSC across California, and the wide variety of hazards that DTSC faces, DTSC will procure a mass notification system that can rapidly provide vital information and instructions to DTSC employees. The procurement process will explore systems that can send notices from a single user/administrator to any number of recipients (entire DTSC workforce to limited subsets of employees), eliminating the need to go through individual program managers and supervisors.

Notifications sent will be in multiple formats (phone, text, email, push notifications, etc.) to allow maximum flexibility when alerting employees, maximizing the routes notifications can be received, minimizing the time needed to complete notifications, and allowing confirmation of receipt of those notifications.

System requirements will be to generate notifications to all DTSC employees or subsets of employees to allow notifications for a variety of scenarios. The system procured will be able to send:

- Emergency notices to staff based on their office, home, or current field location
- Office closures/workplace relocations in response to closures due to wildfires, floods, outbreaks, etc.
- Workplace emergencies such as building issues, protests, or security issues
- Polling notifications to rapidly assess accountability during a facility emergency (fire evacuation, active shooter, etc.)
- The system procured will also be able to generate notifications for key groups within DTSC to respond to targeted emergencies internal to the department, such as:
 - Rapid notification of critical infrastructure failures within programs (i.e. server failure within OIEM, facility flooding or power outage for a specific field office, notification to ER staff of an activation, etc.)
 - Other time sensitive/vital notifications for specific programs

DTSC will also explore system features such as lone worker protection to allow DTSC employees working alone to have "panic button" assistance, Check-In capability, and Safe Corridor features.

CONCLUSION

The Department of Toxic Substances Control strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Meredith Williams, Director

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency