

Fiscal Year 2009-2010

TITLE OF PROPOSAL

Environmental Stewardship Program Workload

DIVISION PRIORITY NUMBER

PROGRAM IMPACTED

Hazardous Substances Tax Program
Underground Storage Tank Fee Program
E-Waste Recycling Fee ProgramSUMMARY OF REQUEST *(including impact if request denied)*

This concept paper requests \$926,000 to convert 13.0 current limited-term positions (sunseting on June 30, 2009) to permanent in order to address the continuing registration of fee payers and fee collection workload for the following three, previously approved, environmental program Budget Change Proposals (BCPs):

- 1) 5.0 positions - Fiscal Year (FY) 2007-08 BCP No. 12 – Assembly Bill 1803-Expanded Workload for Environmental Fee Program
- 2) 6.0 positions - FY 2007-08 BCP No. 6-Electronic Waste (E-Waste) Recycling Fee Workload Adjustment
- 3) 2.0 positions - FY 2007-08 BCP No. 8-Underground Storage Tank Maintenance Fee Workload Increase

(Continued on next page)

BACKGROUND/HISTORY

Each of the three environmental stewardship programs has its own history. (1) The BOE has administered the Environmental Fee Program since 1989 in cooperation with the Department of Toxic Substances Control (DTSC). In 2006, Assembly Bill (AB) 1803 modified the Environmental Fee Program by expanding the definition of fee payer which, in turn, expanded its workload. (2) BOE has administered the E-Waste Program since 2005 (Senate Bill (SB) 50) in cooperation with the California Integrated Waste Management Board (CIWMB) and the DTSC. This program's funding level was reduced at the BOE's request in FY 2007-08 to reflect the actual E-Waste workload. (3) BOE has administered the UST Maintenance Fee Program since 1989 in cooperation with the State Water Resources Control Board (SWRCB). In 2007, the BOE addressed a tax gap and workload backlog by requesting and receiving 7.5 permanent and limited-term positions.

STATE LEVEL CONSIDERATIONS *(including impact to other departments)*

The collected fees all provide revenues for other State programs. (1) The Environmental Fee provides revenue for the Toxic Substances Control Account, which funds programs to oversee the disposal, regulation, and clean-up of hazardous waste. The BOE collects the fee; the DTSC identifies and tracks hazardous waste, inspects hazardous waste cleanup sites, provides regulatory control over hazardous waste generators and facilities that treat, store, or dispose of hazardous waste, and identifies organizations subject to the fee. (Continued on next page)

JUSTIFICATION *(including link to Strategic Plan)*

This concept paper addresses the enacted provisions of AB 1803, SB 50, and the UST law.

This paper is also consistent with the BOE's Strategic Plan. Specifically, the three environmental fee and registration components enable the Special Taxes' programs to improve the efficiency of the BOE's tax and fee programs and to maximize voluntary compliance in its programs. Consistent with these objectives, the environmental fee collection and registration of fee payer programs will assist in identifying and analyzing areas of noncompliance and developing approaches to address targeted areas of concern.

Permanent funding of \$926,000 and 13.0 positions will ensure timely and efficient fee payer service, and enable the BOE to address the California budget deficit by collecting an estimated \$9.5 million in annual revenues without increasing taxes.

COSTS AND BENEFITS (BUDGET YEAR ONLY – FISCAL YEAR 2009-10)

New funding Continuation Redirection

COST \$ 926,000	REVENUE <i>(if applicable)</i> \$ 9,500,000
POSITIONS <i>(if applicable)</i> 13.0	COST SAVINGS <i>(if applicable)</i> \$ 0

PREPARED AND APPROVED

PREPARED BY Susan Nonaka	DIVISION CHIEF APPROVAL
AUTHOR'S TELEPHONE NUMBER (916) 445-4474	DATE May 23, 2008

ACTION

Concept Approved Request Denied

EXECUTIVE DIRECTOR *(signature)*

REQUEST FOR CONCEPTUAL APPROVAL (Continued)

Fiscal Year 2009-10

SUMMARY OF REQUEST (including impact if request denied)

Although the backlog in the Underground Storage Tank (UST) Maintenance Fee workload is projected to be completed during FY 2008-09, the 2.0 positions will be required to address new workload created by concerns about the timeliness of UST registrations; new requirements mandating compliance verification of individual underground storage tank sites; and additional registration and compliance investigation workload.

Denial of this request would adversely impact the collection of an estimated \$9.5 million (\$5.3 million – Environmental Fee Program, \$2.5 million - E-Waste Recycling Fee Program, and \$1.7 million – Underground Storage Tank Fee Program) in annual revenues for a 10.0:1 benefit-to-cost ratio. In addition, the State Board of Equalization (BOE) will not be able to efficiently and effectively administer these fee programs and meet its statutory obligations to collect the fees.

STATE LEVEL CONSIDERATION (including impact to other departments)

(2) The E-Waste Fee provides revenue for the Electronic Waste and Recovery Recycling Account (EWRRA), which funds programs that provide the public with methods for recycling e-waste and ensures the safe and environmentally sound disposal of covered electronic devices. The BOE collects the fee; the CIWMB registers collectors and recyclers, makes payments for services, and oversees the recycling aspect of the program; and the DTSC defines the covered electronic devices on which the fee is imposed.

(3) The UST Maintenance Fee provides revenue for an environmental clean-up fund. It enables the SWRCB to issue loans and grants to eligible UST owners.