*Senate Budget and Fiscal Review—John Laird, Chair*
**SUBCOMMITTEE NO. 2** **Agenda**

**Senator Eloise Gómez Reyes, Chair**
**Senator Catherine Blakespear**
**Senator Steven Choi**
**Senator Jerry McNerney**

**Thursday, March 19, 2026**
**9:30 a.m. or Upon Adjournment of Session**
**1021 O Street - Room 2200**

Consultant: Joanne Roy

**Item** **Department** **Page**

# DISCUSSION

# PUBLIC COMMENT ONLY



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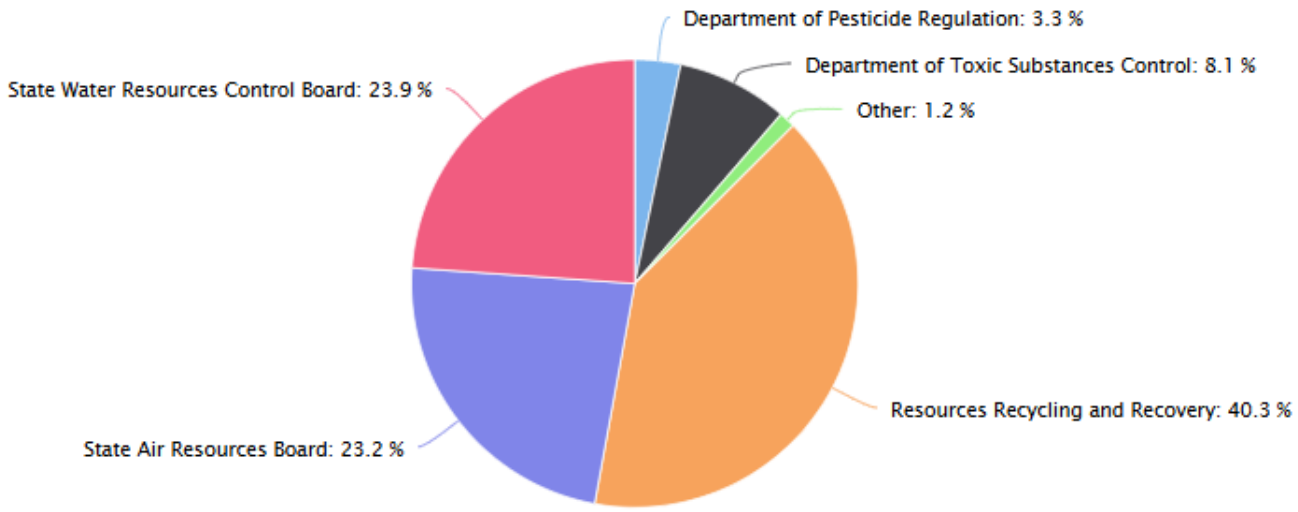
# DISCUSSION

## 0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CALEPA)

### Issue 1: Agency Overview: CalEPA

CalEPA and its boards, departments, and offices (BDOs) implement and enforce environmental laws regulating air pollution; water quality and drinking water; hazardous waste and other toxic substances; pesticides; and solid waste recycling and source reduction.

The pie chart below represents $4.9 billion of expenditures of the BDOs within CalEPA. These amounts do not include federal funds, certain non-governmental cost funds, or reimbursements.




*Source: Department of Finance*

The figure below reflects positions and expenditures for each department in CalEPA in the Governor's budget. State funds reflect total General Fund, special Funds, and selected bond funds. Total funds include state funds, federal funds, other non-governmental cost funds, and reimbursements.

| Code | Departments | Positions | Total State Funds* | Total All Funds* |
|---|---|---|---|---|
| 0555 | Environmental Protection, Secy | 124.0 | $28,461 | $47,703 |
| 3900 | State Air Resources Board | 2,005.0 | $1,128,208 | $1,156,774 |
| 3930 | Department of Pesticide Regulation | 556.6 | $160,366 | $163,366 |
| 3940 | State Water Resources Control Board | 2,802.0 | $1,159,218 | $1,828,304 |
| 3960 | Department of Toxic Substances Control | 1,369.1 | $391,510 | $458,039 |
| 3970 | Resources Recycling and Recovery | 987.1 | $1,957,212 | $1,960,615 |
| 3980 | Environmental Health Hazard Assessment | 148.4 | $28,480 | $32,589 |
| 3996 | General Obligation Bonds-Environmental | - | $689 | $689 |
| Totals, Positions and Expenditures | | 7,992.2 | $4,854,144 | $5,648,079 |

*Source: Department of Finance (Dollars in thousands)*

*Office of the Secretary (OOS).* The Secretary for Environmental Protection is the cabinet-level agency responsible for protecting the environment. The Secretary coordinates the state's environmental regulatory programs and oversees enforcement of environmental law. The Secretary also administers environmental justice, environmental law enforcement, emergency preparedness and response, Certified Unified Program Agencies, and scientific review programs. The Secretary leads greenhouse gas emission reduction and climate change activities in state government and is responsible for coordinating implementation of AB 32 (de Leon and Pavley), Chapter 488, Statutes of 2006. The Secretary also centralizes coordination of California-Mexico border environmental efforts. The Governor's budget includes 3-year expenditures and positions for CalEPA OOS as follows:

**3-YEAR EXPENDITURES AND POSITIONS**

| | | Positions | | | Expenditures | | |
|---|---|---|---|---|---|---|---|
| | | 2024-25 | 2025-26 | 2026-27 | 2024-25* | 2025-26* | 2026-27* |
| 0340 | Support | 94.1 | 104.0 | 124.0 | $37,109 | $47,046 | $47,703 |
| **TOTALS, POSITIONS AND EXPENDITURES (All Programs)** | | **94.1** | **104.0** | **124.0** | **$37,109** | **$47,046** | **$47,703** |

*Source: Department of Finance*
**Dollars in thousands, except in Salary Range.*

*Comparing CalEPA OOS Final Budgets of the Previous and Current Administrations.* The 2018-19 budget was the last budget approved by the previous governor. The figure below compares the Governor's budget proposal for CalEPA OOS and the budget approved in the final session of the previous governor.

| | 2018-19 at 2018-19 Enactment | 2026-27 at 2026-27 Governor's Budget | Percent Change |
|---|---|---|---|
| Positions | 69.4 | 124.0 | 79% |
| State Operations: | | | |
| General Fund | $ 2,178.00 | $ 3,120.00 | 43% |
| Other | $ 18,078.00 | $ 40,896.00 | 126% |
| Subtotal: | $ 20,256.00 | $ 44,016.00 | 117% |
| Local Assistance | | | |
| General Fund | $ 835.00 | $ 835.00 | 0% |
| Other | $ 1,500.00 | $ 2,852.00 | 90% |
| Subtotal: | $ 2,335.00 | $ 3,687.00 | 58% |
| **Total:** | **$ 22,591.00** | **$ 47,703.00** | **111%** |

*Source: Department of Finance*

As shown above, the number of positions and expenditures in CalEPA's OOS has substantially grown with positions increasing by 79 percent and total expenditures by 111 percent from the final year of the previous administration to the final year of the current one.

# 3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)

## Issue 2: Department Overview: CalRecycle

CalRecycle protects the state's environment, climate, and public health through the reduction, reuse, and recycling of state resources by implementing programs, providing funding, and partnering with stakeholders to recycle materials, develop markets, issue permits, conduct compliance assistance and enforcement, and provide outreach and education. CalRecycle also collaborates with federal, state, and local agencies in delivering debris removal assistance and operations in the event of natural disasters, such as wildfires.

**3-YEAR EXPENDITURES AND POSITIONS †**

| | | Positions | | | Expenditures | | |
|---|---|---|---|---|---|---|---|
| | | 2024-25 | 2025-26 | 2026-27 | 2024-25* | 2025-26* | 2026-27* |
| 3700 | Waste Reduction and Management | 501.7 | 547.3 | 555.3 | $317,257 | $346,176 | $261,234 |
| 3705 | Loan Repayments | - | - | - | -6,251 | -11,158 | -11,158 |
| 3710 | Education and Environment Initiative | 5.7 | 5.4 | 5.4 | 1,267 | 3,938 | 4,080 |
| 3715 | Beverage Container Recycling and Litter Reduction | 277.4 | 294.8 | 301.8 | 1,693,283 | 1,750,795 | 1,706,459 |
| 9900100 | Administration | 73.4 | 124.6 | 124.6 | 19,415 | 21,803 | 21,768 |
| 9900200 | Administration - Distributed | - | - | - | -19,415 | -21,803 | -21,768 |
| **TOTALS, POSITIONS AND EXPENDITURES (All Programs)** | | **858.2** | **972.1** | **987.1** | **$2,005,556** | **$2,089,751** | **$1,960,615** |

*Source: Department of Finance*

† *Dollars in thousands, except in Salary Range.*

**Programs.** According to the administration, CalRecycle implements the following:

***Waste Reduction and Management.*** Among its objectives include:

- Overseeing that all nonhazardous solid waste is stored, collected, processed, and disposed in a safe and environmentally sound manner.
- Participating in the development and maintenance of local solid waste management plans that describe how each city and county will reduce solid waste disposal to achieve at minimum a 50 percent diversion of waste from landfills.
- Developing programs and policies to support the state goal that not less than 75 percent of solid waste generated be source reduced, recycled, or composted by 2020 and after.
- Reducing organic waste disposal 75 percent by 2025 to support the state's climate goals and rescue at least 20 percent currently disposed surplus food by 2025.
- Cleaning up solid waste disposal sites when the responsible party either cannot be identified or is unable or unwilling to pay for timely remediation, and where cleanup is needed to protect public health and safety, or the environment.

- Developing and promoting waste reduction strategies through reuse, upcycling, and source reduction.

- Promoting the use of recycled materials in state manufacturing.

***Beverage Container Recycling.*** CalRecycle administers the Beverage Container Recycling Program (BCRP or commonly referred to as the "Bottle Bill") with a goal of achieving an 80 percent recycling rate for glass, aluminum, and plastic beverage containers sold in the state. To achieve this goal, the Division of Recycling oversees the following: (1) that the California Redemption Value (CRV) is paid by beverage distributors for each beverage sold in the state; (2) that consumers are refunded CRV for recycled beverage containers; (3) that recycling centers are conveniently located; (4) that grants are made to encourage recycling and development of markets for recycled materials; (5) that strong oversight and enforcement programs are in place to protect the integrity of the Beverage Container Recycling Fund; and (6) that public outreach and private partnerships are promoted.

CRV eligible beverages are packaged in aluminum, glass, plastic, or bi-metal. Effective January 2024, this includes beverage containers that are boxes, bladders, or pouches containing wine, distilled spirits, wine coolers, or distilled spirt coolers.

CRV refunds are 5 cents for containers less than 24 ounces and 10 cents for containers 24 ounces or larger. Effective January 1, 2024, 25 cents for boxes, bladders or pouches containing wine, distilled spirits, wine coolers, or distilled spirit coolers.

*2024 Statistics of Beverage Container Recycling in the State.*

- The 2024 BCRP recycling rate is 70 percent. (20.3 billion bottles and cans returned divided by 28.8 billion beverages sold)

- Collection Rates by Container Material Type:
    - 71 percent Aluminum (Sales: 10.8 billion; Returns: 7.7 billion)
    - 60 percent Glass (Sales: 3.18 billion; Returns: 1.91 billion)
    - 74 percent #1 PET (Sales: 14.3 billion; Returns: 10.5 billion)
    - 62 percent #2 HDPE (Sales: 173.5 million; Returns: 107 million)
    - 3 percent #3 PVC (Sales: 27,836; Returns: 870)
    - 2 percent #4 LDPE (Sales: 5.16 million; Returns: 123,892)
    - 52 percent #5 PP (Sales: 9.74 million; Returns: 5.08 million)
    - 4 percent #7 Other (Sales: 59.96 million; Returns: 2.69 million)
    - 13 percent Bimetal (Sales: 50.68 million; 6.37 million)
    - 1 percent WDS-BBP (Box drinks) (Sales: 33.85 million; Returns: 352,102)

- CRV Recycling Collection Distribution
    - 1,269 Recycling Centers (17.28 billion containers collected)
    - 662 Curbside Programs (2.51 billion containers collected)
    - 166 Dropoff Programs and 122 Community Service Programs (0.47 billion containers collected)

- Other Program Participants
    - 161 Processors
    - 5,750 Distributors
    - 5,690 Beverage Manufacturers

***Disaster Debris Removal.*** CalRecycle works with local governments to help clean up after disasters like wildfires and debris flow mudslides. Since 2007, the department has supported communities impacted by disasters, such as wildfires, by safely disposing contaminated debris at no out-of-pocket cost to property owners, leaving properties safe to rebuild. When tasked with a cleanup, the department works with the Governor's Office of Emergency Services (Cal OES) and federal, state, and local agencies to clear debris from properties damaged by state and federally-declared disasters. Since 2007, CalRecycle has helped clean up 64 fire incidents, cleared 23,986 properties, and removed 7.6 million tons of debris.

***Electronic Waste (E-waste).*** The term, "e-waste" does not have a clear definition and is loosely applied to unwanted consumer and business electronic equipment. The Covered Electronic Waste (CEW) Recycling Program provides convenient recycling for unwanted electronics. A "covered electronic devise" means a video display device covered by the law containing a screen greater than four inches, measured diagonally, identified as hazardous waste when discarded by the Department of Toxic Substances Control (DTSC). Key elements of the program include:

- A fee is collected by retailers in the state at the point-of-sale of a CEW.
- The CEW recycling fee is used to fund the collection and recycling of waste devices at the end of life.
- The Electronic Waste Recycling Act of 2003 is implemented by CalRecycle, DTSC, and the California Department of Tax and Fee Administration (CDTFA).

***Extended Producer Responsibility (EPR).*** Product stewardship, also referred to as EPR, is an environmental policy approach that holds businesses responsible for end-of-life management of their products or packaging. Product stewardship supports recycling and materials management goals that contribute to a circular economy and can also encourage product design changes that minimize environmental impacts. CalRecycle oversees statewide stewardship programs for the following products:

- Textiles. The Responsible Textile Recovery Act ensures discarded textiles and apparel are reused, repaired, or recycled.
- Beverage Containers. The Dealer Cooperatives Program aims to increase opportunities for consumers to redeem bottles and cans for deposit refunds.
- Batteries. The Responsible Battery Recycling Program requires the establishment of a stewardship program for the collection and recycling of covered batteries.
- Packaging. The Plastic Pollution Prevention and Packaging Producer Responsibility Program shifts the plastic pollution burden from consumers to the plastics industry.
- Pharmaceuticals and Sharps. The Pharmaceuticals and Sharps Waste Stewardship Program requires safe and convenient disposal options for pharmaceutical drug and home-generated sharps waste.
- Mattresses. The Mattress Stewardship Program aims to reduce illegal dumping, increase recycling, and substantially reduce local government costs for the end-of-use management of used mattresses.
- Carpet. The Carpet Stewardship Program ensures postconsumer carpet is reused, recycled, or properly disposed.
- Paint. The Paint Stewardship Program ensures that leftover paint is reused, recycled, or properly disposed.

***Funding.*** CalRecycle provides various funding opportunities to help public and private entities create circular waste systems, including:

- Empty Glass Beverage Transportation Grant Program
- Local Conservation Corps Grant Program

- Farm and Ranch Solid Waste Cleanup and Abatement Grant
- Local Government Waste Tire Cleanup Grant Program
- Beverage Container Redemption Innovation Grant Program
- Tire Equipment Loan Program
- Beverage Container Recycling Loan Program
- Greenhouse Gas Reduction Loan Program
- Recycling Market Development Zone Loan Program

***Organic Materials Management.*** Organic waste is 48 percent of what the state disposes in landfills, by weight, including 2.5 billion meals worth of unspoiled food per year. Food, yard, and other organic waste breaking down in landfills emits methane climate pollution. Methane has 84 times the power to heat the climate as carbon dioxide. The department addresses organic waste issues through activities, including:

- Compost and Mulch (e.g., Community-Scale Composting)
- Food Waste Prevention (e.g. Mandatory Commercial Organics Recycling, Food Waste Prevention and Rescue Grant Program, and SB 1383 Climate/Short-Lived Climate Pollutants)
- Landscaping (e.g., Sustainable Landscaping, Grasscycling, and Xeriscaping)
- Technologies (e.g., Covered and Aerated Compost Systems, Compostable Plastics, Commercial Food Scraps Technologies)
- Regulatory Coordination (e.g., Healthy Soils Initiative and Alternative Manure Management)
- Additional Resources (e.g., Enforcement, Local Government Central, and Permit Toolbox)

***Plastics and Packaging.*** CalRecycle addresses plastic waste in several ways, including:

- Packaging programs manage multiple materials, including plastics
- Plastic Trash Bags. Certain trash bags must contain at least 10 percent recycled plastic.
- BCRP
- Plastic Market Development Payments. Processors and Manufacturers may receive incentive payments for recycled CRV plastic for new products
- Recycled Fiber, Plastic, and Glass Grants and Loans. Helps lower climate pollution by expanding or building new facilities that manufacture products using California-generated recycled fiber, plastic, or glass

CalRecycle's work includes finding ways to reduce the amount of plastic waste made, invest and expand domestic recycling, increase market demand for recycled plastic by using more recycled content, focus on reuse and refilling rather than single-use products, implement EPR programs that make producers responsible for end-of-life management of plastic packaging.

## Issue 3: Minimum Standards for Compostable Materials (SB 279)

**Governor's Proposal.** The Governor's budget requests two permanent positions and $327,000 Integrated Waste Management Account (IWMA) in 2026-27 and ongoing to perform lead duties associated with the implementation of SB 279 (McNerney), Chapter 651, Statutes of 2025, and regulatory development of the Compostable Material Handling Facilities & Operations and technical assistance for Local Enforcement Agencies (LEAs).

The proposed additional resources are intended to help with the revision and implementation of regulations pursuant to the changes in statute. The development of technical guidance and training will need to be developed and provided to the industry and local regulators. These activities are intended to be ongoing from year to year. One method of providing the training needed will be through the technical training series, which is proposed to become an annual event. The series focuses on the implementation of solid waste statutes and regulations and includes participants from local government, industry, state regulatory agencies, and the public. It is estimated that the workload associated with the implementation of new statutes could increase by 10 percent.

**Background.** ***SB 279 (McNerney): Solid Waste: Compostable Materials.*** SB 279 reduces regulatory requirements for certain composting operations, including agricultural operations. The bill requires CalRecycle to adopt revised regulations for composting. It expands the excluded activity exemption for composting activities by removing the maximum square-foot condition and authorizing a total of onsite material up to 200 cubic yards or 500 cubic yards for a composting activity owned by a public agency. SB 279 also makes the composting of large-scale biomass agricultural materials an excluded activity. The bill authorizes composting facilities to give away or sell up to 5,000 cubic yards of compost product annually. Lastly, it authorizes CalRecycle to increase, by regulation, the amount of composting of agricultural materials and residues from large-scale biomass management events at an agricultural site.

Changes are needed to the Compostable Materials Handling and Operations regulations to implement SB 279. These changes include allowing additional feed stocks to be included in food material; material volume thresholds for excluded activities will need to be increased; material volume thresholds for tiered permits may also need to be increased; exclusion of large-scale composting biomass events; and allowance of off-site agricultural material, including manure, to be brought onto farms as an additive.

CalRecycle staff intends to provide ongoing training, technical assistance, and guidance to local enforcement agencies to assist in their decision-making processes. If the Permitting and Assistance Branch does not increase its staffing, it will not be able to support the implementation of SB 279 and the increased workload that is projected to occur through 2030-31, resulting from statutory and regulatory changes and the expansion of CalRecycle programs.

**Staff Recommendation. Hold open.**

## Issue 4: New Dealer Registration and Dealer Cooperative Resources

**Governor's Proposal.** The Governor's budget requests seven permanent positions and $1 million Beverage Container Recycling Fund (BCRF) in 2026-27 and ongoing, to perform compliance and enforcement tasks associated with the Beverage Container Recycling and Litter Reduction Program (BCRP) new dealer requirements and dealer cooperatives authorized pursuant to SB 1013 (Atkins), Chapter 610, Statutes of 2022.

Additional special investigators are needed to investigate the increased state-wide potentially fraudulent activity with increased dealer redemption obligations and new dealer cooperative redemption contractors, and additional inspection staff are required to ensure compliance with the Act and regulations associated with these changes from SB 1013.

**Background.** ***Bottle Bill Program.*** Since its inception in 1987, the California Beverage Container Recycling & Litter Reduction Act, also known as the "Bottle Bill", has required coordinated oversight to ensure appropriate operation of program participants to implement the BCRP.

There are over 1,200 recycling centers statewide, and an estimated one-third of the approximately 30,000 statewide dealers in convenience zones require enforcement and compliance oversight. SB 1013 adds to this workload in two ways: 1) the legislation adds to the number of dealers obligated to redeem due to the elimination of the option to pay $100 per day instead of redemption, and 2) it adds approved dealer cooperatives and their associated redemption contractors to the list of sites requiring oversight.

Dealer Cooperatives are new entities to BCRP, and the full implications and benefits are yet to be seen. Regulations implementing SB 1013 were approved in April 2024, resulting in the first dealer cooperative being approved. These entities must follow the new regulations and their individual operational plan. In addition, redemption contractors are new types of operators not certified by CalRecycle.

The new dealer cooperative adds 130 redemption contractors, each with multiple new modes of redemption such as brick-and-mortar recycling centers, mobile recycling, bag-drop, etc. Future dealer cooperatives would further add to existing compliance oversight workloads. These changes increase the number of dealer sites and add dealer cooperatives that require oversight and enforcement.

In the past five years, approximately two percent of operational recycling center certifications have been revoked or terminated by CalRecycle due to severe, ongoing fraud. Also, compliance activities resulted in over 2,600 violations between recycling centers and dealers in 2024. There are currently 11 inspectors charged with administering site visits to dealers and recycling centers, paired with 30 investigators investigating potential fraud threats to the program and the fund. Fraud and non-compliant operation pose a significant financial threat to the BCRP and fund – for example, when recycling centers commit fraud by submitting false claims for redemption payments or by operating out of statutory and regulatory compliance.

**Staff Recommendation. Hold open.**

# 3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

## Issue 5: Department Overview: DTSC

DTSC's mission is to protect the people of the state and the environment from the harmful effects of toxic substances by restoring contaminated resources, enforcing hazardous waste laws, reducing hazardous waste generation, and encouraging the manufacture of chemically-safer products.

### 3-YEAR EXPENDITURES AND POSITIONS †

| | | Positions | | | Expenditures | | |
|---|---|---|---|---|---|---|---|
| | | 2024-25 | 2025-26 | 2026-27 | 2024-25* | 2025-26* | 2026-27* |
| 3620 | Site Mitigation and Restoration Program | 412.6 | 455.6 | 466.0 | $249,575 | $259,834 | $225,256 |
| 3625 | Hazardous Waste Management | 436.1 | 509.1 | 517.7 | 103,414 | 117,822 | 119,994 |
| 3626 | Hazardous Waste Facilities | 23.5 | 20.9 | 20.9 | 4,206 | 6,282 | 6,291 |
| 3630 | Safer Consumer Products | 113.8 | 107.2 | 114.2 | 24,670 | 27,171 | 30,376 |
| 3635 | State Certified Unified Program Agency | 10.8 | 8.8 | 8.8 | 2,472 | 2,438 | 2,444 |
| 3645 | Exide Technologies Facility Contamination Cleanup | - | - | - | 87,708 | 117,389 | 70,068 |
| 3650 | Board of Environmental Safety | 15.0 | 15.0 | 15.0 | 2,467 | 3,592 | 3,610 |
| 9900100 | Administration | 218.5 | 224.5 | 226.5 | 54,976 | 57,080 | 58,514 |
| 9900200 | Administration - Distributed | - | - | - | -54,976 | -57,080 | -58,514 |
| **TOTALS, POSITIONS AND EXPENDITURES (All Programs)** | | **1,230.3** | **1,341.1** | **1,369.1** | **$474,512** | **$534,528** | **$458,039** |

† Fiscal year 2024-25 budget display reflects the best available information for use in decision-making for this department and/or these fund(s). Additional review and reconciliation of 2024-25 ending fund balances will occur in the spring to evaluate if a budget adjustment is required.

*** Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.**

***DTSC Programs.*** According to the administration, DTSC oversees the following programs:

*Site Mitigation and Restoration Program.* This program implements the state's laws regarding site cleanup and the federal Superfund program. The program currently oversees approximately 1,290 hazardous substance release site investigations and cleanups and monitors long-term operations and maintenance activities at more than 249 sites where the cleanup process is complete. Additionally, the program is responsible for ensuring compliance with the terms of approximately 1,061 land-use restrictions in place on properties throughout the state.

New sites are identified through surveillance and enforcement efforts, emergency response activities, examination of other previously-identified potential sites, and public and private entities that voluntarily request DTSC take action to return local properties to productive use. These sites and projects include cleaning up federal and state Superfund properties, abandoned mines, other abandoned and underutilized properties known as "brownfields," and both active and closed military installations. The program is also responsible for the Stringfellow Hazardous Waste Site, a federal Superfund site and former hazardous waste disposal site.

The program works with the Cal OES and other state agencies to assure response readiness for acts of terrorism involving the use of toxic chemicals. Additionally, the program mitigates off-highway hazardous waste spills and responds to hazardous waste contamination resulting from illegal drug laboratories.

*Hazardous Waste Management.* This program regulates the generation, storage, transportation, treatment, and disposal of hazardous waste to minimize risks to public health and the environment. The program oversees permitting and compliance at 100 authorized facilities that manage hazardous waste, approximately 800 state-regulated generators, and approximately 300 facilities that are subject to corrective actions. Additionally, the program manages approximately $2.5 billion in financial assurance resources, and supports and oversees 81 local agencies implementing the hazardous waste program elements of the Unified Program.

The program monitors hazardous waste transfer, storage, treatment, and disposal facilities for illegal activity, including electronic manifest surveillance and monitoring of registered hazardous waste transporters; enforcement of hazardous waste requirement violations found through routine inspections; complaint intake, triage, and investigations; and other focused enforcement initiatives. The program also enforces compliance with hazardous waste requirements related to electronic waste and used oil.

*Hazardous Waste Facilities.* This program oversees the hazardous waste permitted facilities that are permitting for storage, treatment, and disposal of hazardous waste to minimize risks to public health and the environment. The program oversees the maintenance activities and compliance at 100 authorized facilities that manage hazardous waste and approximately 300 facilities that are subject to corrective actions. Additionally, the program manages approximately $2.5 billion in financial assurance resources.

The program monitors permitted hazardous waste storage, treatment, and disposal facilities for illegal activity, including electronic manifest surveillance, enforcement of hazardous waste requirement violations found through routine inspections; complain intake, triage, and investigations; and other focused enforcement initiatives.

*Safer Consumer Products.* The Safer Consumer Products (SCP) program compels manufacturers to reduce human and environmental exposure to toxic chemicals that are used in consumer products. SCP program calls for industry to develop safer consumer products by identifying safer alternatives that eliminate or reduce the use of hazardous chemicals that may harm people or the environment. SCP also collects information on the presence of toxic chemicals in products in order to identify Priority Products for possible regulation; provides support and guidance to Priority Product manufacturers for the analysis of safer alternatives, and issues regulatory responses to proposed alternatives. This program encourages the adoption of "green chemistry" practices.

*State As Certified Program Agency.* CalEPA designated DTSC as the Certified Unified Program Agency (CUPA) in Trinity and Imperial Counties. As the CUPA, DTSC is responsible for implementing the six elements of the Unified Program: hazardous waste generator and onsite treatment activities; spill-prevention control and countermeasure plans for owners of above ground petroleum storage tanks; the underground storage tank program; hazardous material release response plans and inventories; the California Accidental Release Prevention program; and certain Uniform Fire Code requirements pertaining to hazardous material management plans and inventories.

*Exide Technologies Facility Contamination Cleanup Program.* This program oversees removal and remedial actions in the communities surrounding the former Exide Technologies facility in the City of Vernon, as well as closure and corrective action at the facility itself. Under the program, DTSC is responsible for testing the soil for lead contamination in properties, including residences, schools, daycare centers, and parks within a 1.7-mile radius of the facility. The program will clean up contained soil at those properties with the highest levels of lead in soil and greatest potential for exposure.

*Board of Environmental Safety (BES).* BES is a five-member board that sets fees through regulations, hears hazardous waste permit appeals, and provides strategic guidance to the department. The board also

contains an Ombudsperson who serves as a resource to the public and the regulated community. *(More detailed information about BES below.)*

*Administration.* This program provides accounting, budgeting, revenue collection, human resource and workforce management, regional administration and business services, contracts and procurement, information management, and business services. The program also provides legal counsel, communication, and environmental equity services.

***Board of Environmental Safety (BES).*** SB 158 (Committee on Budget and Fiscal Review), Chapter 73, Statutes of 2021, included significant governance and fiscal reform of the Department of Toxic Substances Control (DTSC). Among the changes, SB 158 created the Board of Environmental Safety (BES) within the department. The Board engages in various DTSC program areas, including hazardous waste management, SB 158 implementation oversight, and community engagement. BES has several responsibilities, such as hearing hazardous waste permit appeals, setting fee amounts, and providing strategic guidance to the department.

*Personnel.* According to DTSC, BES currently has 13 personnel positions, including five board members (Board Chair full-time; four Board Members half-time positions); 10 board staff (Executive Officer, Board Counsel, Ombudsperson, four technical support; and three administration support). The workload in technical, program, and legal areas is anticipated to increase. The department has issued new, improved permits for several existing hazardous waste facilities, and it is expected that some of the permits will be appealed to BES.

With approval of DTSC's Hazardous Waste Management Plan in November 2025, the Board is working with DTSC staff to begin the implementation of several recommendations contained in the plan. For any additional positions needed, the Administration will propose them through the annual Budget process.

*Funding.* BES has the authority to set charge levels for the Hazardous Waste Control Account (HWCA) and the Toxic Substances Control Account (TSCA). The Board sets charges annually to align revenues from both accounts to the dollar amount of expenditures authorized by the Legislature through the annual budget act.

The 2021-22 budget used one-time General Fund and switched to HWCA and TSCA beginning in 2022-23. The Board is funded equally from HWCA (50 percent) and TSCA (50 percent). BES does not receive any federal funds.

HWCA is funded primarily from the Generation and Handling (G&H) Fee and the Facility Fee, with smaller amounts coming from other fees and revenues.

SB 158 established the G&H Fee to replace four fees (Generator, Disposal, Manifest User, and EPA Identification Number Verification (EPA ID) fees). The G&H fee is a flat-rate-per-ton fee that applies to all hazardous waste generators that generate five or more tons of hazardous waste in a calendar year.

The Facility Fee is imposed on the owner or operator of a facility that is issued a hazardous waste facility permit or a grant of interim status by DTSC, or other forms of authorization to treat, store, or dispose of hazardous waste in the state. The fee is determined by the facility's type and size.

The Administration projects the G&H Fee to generate $72 million, and the Facility Fee to generate $12 million in 2025-26.

The G&H Fee has been set as follows:

- 2022-23: $49.25/ton (set in SB 158)
- 2023-24: $49.25/ton
- 2024-25: $60.05/ton
- 2025-26: $62.24/ton

TSCA is funded primarily from the Environmental Fee, with smaller amounts coming from cost recovery revenues and reimbursements. The Environmental Fee is an annual charge paid by California businesses and organizations that use, generate, store, or conduct activities related to hazardous materials. The amount of the fee is based on the number of persons employed in California by an organization. The Environmental Fee is projected to generate $120 million in 2025-26.

BES's budget for 2024-25 and 2025-26 are as follows:

2024-25:
- Starting budget: $3.2 million
    - Personnel Salaries, Wages and Benefits: $2.8 million
    - Operating: $416,000
- Year To Date (YTD) Expenditures (through May 31, 2025)
    - Personnel Salaries, Wages and Benefits: $2.2 million
    - Operating: $233,000
- Operating expenditures include two contracts for meeting facilitation and interpretation needs for board meetings, hearings, and workshops/webinars.

2025-26:
- Starting budget: $2.92 million
    - Personnel Salaries and Wages: $2.4 million
    - Operating: $534,000
- YTD expenditures (including encumbrances) (through August 2025 only): $764,425.

To date, DTSC notes the Board's principal accomplishments as follows:

- Establishment of an independent oversight function.
- Development of core operational infrastructure.
- Delivery of accessible and inclusive public meetings.
- Strengthening of transparency and public reporting.
- Improving community engagement and on-the-ground presence
- Fiscal stabilization through annual fee rate setting.
- Advancement of key SB 158 deliverables.
- Implementation of the SB 158 mandated Ombuds Program.
- Creation of a strategic prioritization framework.
- Hazardous waste management planning.
- Strengthening the permit appeals and administrative record process.
- Institutionalization of community engagement and environmental justice standards.

The Administration notes the following issues and obstacles have arisen for BES in carrying out its responsibilities:

- *BES's Partial Oversight Role and Public Expectations*. Many from the public do not fully understand the Board's partial oversight role under SB 158 and expect the Board to take actions that exceed its scope and authority. The public frequently submits requests outside of BES's purview, necessitating redirection and follow-up.

- *Staffing and Organizational Capacity.* The Board continues to navigate limited staffing relative to DTSC's size and must be strategic in the Board's ability to engage comprehensively across all program areas.

- *Increasing Operational Demands.* The Board's workload is expanding, particularly with the anticipated rise in permit appeals and the need for sustained community engagement. These responsibilities require significant time and staff resources. Rising volume and complexity of permit appeals require significant time from Board members and staff, and the workload is expected to grow with three or more appeals anticipated over DTSC's approval of renewal permits for high profile hazardous waste facilities.

- *Records Access.* Access to key DTSC documents remains hindered by paper-based records and limited digitization. This affects both Board members, who reside statewide, and the public, especially in the context of permit appeals. Modern records management is essential to improve transparency and efficiency.

- *Public Trust, Communication, and Equity.* Rebuilding public trust in DTSC remains a challenge, which often necessitates additional meetings with the public and BES. The public consistently seeks deeper engagement and more visible integration of their input into decisions. Achieving equitable communication, including language access, culturally competent outreach, and clearer public-facing materials, all require long-term investment and alignment for BES and across DTSC programs.

***BES: Ombuds Program.*** SB 158 established the Ombuds Program in BES, which is an impartial resource for the public served by DTSC. The program receives concerns and suggestions from the public, evaluates inquiries received, reports finding and makes recommendations to BES, and provides assistance to the public. The program provides information to the public related to regulations, procedures, and a person's rights related to environmental safety matters. Also, the program can advocate on a person's behalf so that their concerns are heard and addressed.

## Issue 6: Hazardous Waste Management Program Statewide Planning Division

**Governor's Proposal.** The Governor's budget requests eight permanent positions and $1.9 million HWCA in 2026-27 and 13 permanent positions and $2.8 million HWCA in 2027-28 and ongoing to restructure the Office of Policy (OP) as the Statewide Planning Division within the Hazardous Waste Management Program (HWMP).

These resources are intended to be used for evaluating and pursuing long-term, transformative improvements to generator reporting and hazardous waste management requirements as well as to provide local support to hazardous waste generators and CUPAs.

This proposal is intended to help the department be better resourced when working with generators across the state to identify opportunities to reduce waste and develop hazardous waste management and tracking frameworks that fit contemporary needs. These resources are intended to help ensure California's criteria and standards are up-to-date and scientifically rigorous so that people and their communities are protected from improperly managed hazardous waste.

As the lead agency overseeing hazardous waste management activities, DTSC's implementation of this proposal would be funded by HWCA. This account is primarily funded by the Generation & Handling Fee and supports HWMP.

**Background.** ***Hazardous Waste Management Program's (HWMP) Office of Policy (OP).*** OP is a technical and analytical group comprised of 68 analysts, scientists, and engineers across two branches. OP is often the first line of contact between the regulated community and DTSC as businesses seek to understand whether their waste is hazardous, what options are available to manage it, including any repurpose or recycling opportunities, and how to obtain a hazardous waste identification number or register as a hazardous waste transporter.

OP evaluates proposed legislation, prepares comprehensive planning documents to guide state and local hazardous waste management policy and practices, and conducts rulemaking both to implement California-specific statutes or initiatives and to incorporate federal requirements as mandated by the US Environmental Protection Agency (USEPA) for implementation of the Resource Conservation and Recovery Act (RCRA) authorized program.

Along with SB 158 (Committee on Budget and Fiscal Review), Chapter 73, Statutes of 2021 (also known as DTSC's Governance and Fee Reform bill), the department received resources for HWMP's OP to conduct comprehensive reporting and planning activities. DTSC's 2023 Hazardous Waste Management Report ("Report", mandated by SB 158), identified significant gaps in hazardous waste generation and management information provided by California's more than 100,000 hazardous waste generators and handlers. Through DTSC's preparation of the draft Hazardous Waste Management Plan (Plan), DTSC further identified a deficiency in resources necessary to address those data gaps and to carry out the Plan's recommendations once approved by BES. The administration states that OP currently has neither the capacity nor infrastructure to holistically address management standards for evolving waste streams that were not in mind when the original hazardous waste classification and management standards were established more than 40 years ago.

**Staff Recommendation. Hold open.**

# 0555 California Environmental Protection Agency (CalEPA)
# 3940 State Water Resources Control Board (SWRCB)
# 3960 Department of Toxic Substances Control (DTSC)
# 3970 California Resources Recycling and Recovery (CalRecycle)

## Issue 7: Landfill Support, Response, and Enforcement

**Governor's Proposal.** The Governor's budget requests 12 permanent full-time positions $5.14 million from various funds, which includes $1 million for local assistance programs, and ongoing contract dollars in the amount of $1.4 million to address Subsurface Elevated Temperature (SET) events at Class III Landfills. More specifically:

***CalEPA.*** CalEPA requests $606,000 and two positions in 2026-27 and ongoing from distributed administration, which includes $63,000 in ongoing contract costs to coordinate the response to landfills and SET events.

State law authorizes the Deputy Secretary for Enforcement and General Counsel to ensure environmental enforcement agencies take consistent, effective, and coordinated compliance and enforcement activities; to establish cross-media enforcement units to investigate and prepare matters for enforcement; and to refer a violation within the jurisdiction of CalEPA if necessary.

The $63,000 in ongoing contract funds are to be used to take over the maintenance and operations of the Chiquita Canyon Landfill (CCL) website. In January 2025, USEPA, which had previously been contracted to maintain the CCL Response website, notified CalEPA that due to budget constraints, USEPA could no longer support the contract and the website and requested that CalEPA take on the effort, to which CalEPA agreed. The CCL website provides support to the community including an interactive map and graphing tools to visualize air quality data and trends in the area, notices actions being taken by CCL to address the subsurface reaction, including odor mitigation and air monitoring, and addresses community health concerns related to the landfill's emissions and provides information on potential health impacts.

***CalRecycle.*** CalRecycle requests a total of $1.96 million and four permanent positions (waste management engineer, staff manager, program analyst, and environmental scientist) in 2026-27 and ongoing. CalRecycle regulates and oversees the management of municipal solid waste (MSW), including the operation of landfills. The resources are needed to address ongoing workload related to oversight and cost recovery of landfills experience in a SET event, as well as to assist local governments and landowners on mitigating illegal disposal as a result of landfills experiencing early closures or reduced operations.

CalRecycle requests $250,000 in contract funding to provide a statewide annual forum focused on methods to prevent, investigate, enforce, and mitigate illegal dumping and disposal in the state.

CalRecycle requests $1 million for grant distributions for LEAs to assist in meeting their certification requirements to review documents or reports generated pursuant to engineering requirements associated with landfills. These requirements include SET evaluation and mitigation, landfill gas control, closure and post-closure documents, providing equipment, and training to monitor SETs and landfill gas migration. Grants are also intended to aid local governments, non-governmental organizations, and

private landowners to address illegal disposal and dumping that may result from diversion of solid waste away from landfills because of landfill reduced operations, early closure, or the imposition of higher disposal charges.

***DTSC.*** DTSC requests $2.1 million ($1.8 million TSCA and $318,000 HWCA) and four positions (two engineers, a geologist, and environmental scientist) in 2026-27 and ongoing to address SET events at Class III landfills, including CCL and others, to control emerging threats to public health. DTSC is responsible for ensuring that landfill operators man age hazardous waste as required by law. This includes properly sampling the leachate to determine if hazardous substances, such as benzene, are generated and pose threats to public health and the environment.

This request includes $1.1 million annually in contracting costs to bring in subject matter experts to assist DTSC staff better analyze, select software, model, develop appropriate mitigation measures, and monitor the SET event once mitigative measures are taken. Subject matter experts would also help DTSC staff to better analyze slope stability, which can be affected during these events.

***SWRCB.*** SWRCB requests $463,000 ongoing and two permanent positions (engineering geologist and water resource control engineer/geotechnical engineer) to strengthen the Los Angeles Regional Water Quality Control Board's (LA RWQCB's) technical and operational capacity to prevent, investigate, and respond to threats from landfill SET events to water quality and public health that go beyond day-to-day landfill regulation activities. The two positions would perform the following tasks: participate in multi-agency coordination; technical investigation and advice; regulatory review and permitting; compliance oversight and inspections; and readiness; outreach; and enforcement support.

**Background.** ***Landfills.*** Landfills are designed and regulated to manage municipal solid waste (MSW) safely throughout their operational life and for decades after closure. However, technology and changing waste composition have created a need to modernize landfill infrastructure and develop updated response strategies that occur at landfill sites – such as proper disposal of an increase in lithium-ion batteries and refuse/remains from wildfires. There are three classifications of landfills in California:

- *Class I (Hazardous Waste).* These facilities manage hazardous materials, such as soils, debris, and asbestos. These landfills are regulated by DTSC, with local monitoring and mitigation for water and air quality impacts conducted by Regional Water Quality Control Boards and Air Quality Management Districts.

- *Class II (Designated Waste).* These facilities accept "designated" waste, which is non-hazardous waste that could still release toxic constituents to state waters (e.g. certain wet industrial wastes). These must be designed with engineered containment and are regulated by Local Enforcement Agencies (LEAs) with technical assistance from CalRecycle.

- *Class III (Nonhazardous Solid Waste).* These facilities include municipal solid waste landfills that take household trash, construction debris, and non-hazardous industrial waste. They must provide adequate separation between nonhazardous solid waste and waters of the state. Municipal solid waste landfills have liner systems within newer units that are designed to protect the soil and groundwater from contamination, as well as monitoring systems to detect failures in the liner. Class III landfills are regulated by LEAs with technical assistance from CalRecycle.

*Subsurface Elevated Temperature Events.* A SET occurs when temperatures in landfill gas and subsurface landfill waste exceed 131 degrees Fahrenheit (F). As the ongoing SET increases in size, temperatures within the landfill can increase to 160 degrees F and beyond, leading to unpredictable rapid changes in landfill gas and leachate generation and composition, increases in pressure within the landfill, and rapid and unpredictable settlement within the waste mass expressed as fissure and sinkholes in the cap. In addition, as temperatures increase above 160 degrees F landfill environmental protection systems made of plastic (e.g., the liner, leachate collection system, landfill gas collection system, cap, etc.) can degrade and impact the landfill's ability to protect groundwater and prevent emissions.

SETs can have severe short- and long-term consequences to a landfill, including:

- *Fire and explosion risks*: Elevated temperatures can ignite waste gases, such as methane and hydrogen, leading to fires and explosions.

- *Gas migration and emissions*: Landfill gas composition and generation are altered by SETS, which affects the landfill gas collection and control system's capacity to manage gas and prevent emissions. This can potentially lead to the uncontrolled release of toxic and nuisance gases, such as volatile organic compounds (VOCs) and hydrogen sulfide, that can impact air quality and affect nearby communities and ecosystems. In addition, increased landfill gas production and pressure can result in subsurface landfill gas migration outside of the waste management landfill.

- *Leachate management*: SETs change the composition of the leachate and increase its production; and can compromise the effectiveness of leachate collection system and liner, posing a threat to water quality.

- *Landfill stability and safety*: A SET will consume waste and increase leachate levels within the waste management unit, resulting in rapid and unpredictable settlement and an uncontrollable rise in leachate levels that can result in slope instability that can affect the liner and cap systems.

California is currently experiencing active SET events at the Chiquita Canyon Landfill located in Castaic (northwest of Los Angeles County) and El Sobrante Landfill in Corona (Riverside County).

*Chiquita Canyon Landfill (CCL).* CCL is a 639-acre privately-owned MSW disposal facility in north Los Angeles County. The surrounding area consists of industrial, agricultural, and residential properties, with the nearest residential development located approximately 1,000 feet northwest in the Val Verde community. In May 2022, an uncontrolled SET significantly expanded in the inactive northwestern portion of CCL resulting in the release of landfill gas in and around the neighboring residential communities and a substantial increase in leachate volume.

Various regulatory agencies, including CalEPA, CalRecycle, DTSC, CARB, Los Angeles Regional Water Quality Control Board, and the Office of Environmental Health Hazard Assessment (OEHHA) are actively involved with overseeing CCL SET response as part of a Multi-Agency Critical Action Team (MCAT). The MCAT also includes USEPA and local agencies such as the South Coast Air Quality Management District, Los Angeles County Departments of Public Health, Regional Planning, and Public Works; and the Los Angeles Certified Unified Program Agency. MCAT agencies have taken various regulatory actions within their respective authorities in response to the SET.

*El Sobrante Landfill (ESL).* ESL is a privately-owned facility in Riverside County. The nearest residential development is approximately 1,500 feet from the landfill. As of May 2025, ESL has

produced approximately 9.7 million gallons of leachate during the 2025 calendar year. Based on samples collected, much of the leachate exceeds hazardous waste thresholds for benzene.

*Addressing SETs.* In addition to the above-mentioned active SET events, it is anticipated that as the landscape of waste in landfills continues to evolve, additional SET events may occur. To effectively address SETs and other gas migration issues at landfills, the respective agencies intend to develop the following approaches: planning for rapid response when an event occurs and working towards the broader goal of prevention through infrastructure enhancements and leveraging modern tools to improve monitoring, reporting, and detection. Objectives include:

- *Monitoring, Reporting, and Early Detection*. Develop and implement effective monitoring and reporting systems to detect SETs early, allowing for prompt intervention.

- *Mitigation and Remediation Strategies*. Develop and implement effective strategies to mitigate and remediate SETs, minimizing environmental and health impacts.

- *Regulation Development*. Develop regulations that specifically address avoidance, monitoring, and mitigation requirements and uniform standards to demonstrate financial ability for corrective actions, closure, and post-closure maintenance of a landfill experiencing a SET.

- *Community Impact Assessment and Mitigation*. Formulate a strategy and obtain resources to monitor and address short- and long-term impacts to nearby communities.

By obtaining the resources to address complex issues surrounding landfills, CalEPA and its BDOs intend to improve the safe and sustainable management of MSW while protecting public health and safety and the environment.

**Staff Recommendation. Hold open.**

# PUBLIC COMMENT ONLY

## 0555 CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (CALEPA)

### Issue 8: Agency Information Technology (IT) Operations

**Governor's Proposal.** The Governor's budget requests $2.83 million and four permanent positions to enhance IT service delivery and strengthen the agency's operational capabilities. This request includes $2.5 million in reimbursement authority for three positions supporting audio-visual communication services and IT project oversight services; and $325,000 from distributed administration of various funds for one position needed for managing operations.

**Background.** The Office of the Secretary (OOS) heads CalEPA, overseeing and coordinating the activities of the BDOs. CalEPA Information Officer (AIO) has management and oversight responsibilities to provide guidance to OOS and the affiliated BDOs in the following areas:

- Enterprise Architecture: Develops and maintains an agency-wide enterprise architecture to rationalize, standardize, and consolidate information technology (IT) infrastructure, data, and procedures.
- Strategic Planning: Reviews and monitors information technology strategic planning documents.
- IT Asset Management: Oversees the management of IT assets, projects, data systems, infrastructure, services, and telecommunications within the agency.
- Project Approval/Oversight: Approves Stage 1 Business Analyses within the Project Approval
- Lifecycle and provides project oversight for delegated projects, valued at $310 million.
- Project Management: Deliver project management services to OOS.
- Policy Alignment: Ensures conformity with agency and state IT policies and the Agency
- Enterprise Architecture.
- IT Trends: Advises management and staff on IT trends and best practices for enterprise services solutions.
- Contracts and Procurement: Fulfills IT and Non-IT procurement requests for the OOS including all enterprise / shared goods and services for consumption by the BDOs.

**Staff Recommendation. Hold open.**

## Issue 9: California Environmental Reporting System (CERS) Project

**Governor's Proposal.** The Governor's budget requests $6.82 million in spending authority from the Unified Program Account in 2026-27 to implement a technology refresh project on the California Environmental Reporting System known as CERS NextGen.

CERS Nextgen is an ongoing information technology project. This request includes continued funding for five permanent positions approved in the 2022 Budget Act. The project is intended to update the technical platform, improve data quality and the processes supporting data quality, and modernize a critical public-facing system that enables more than 160,000 businesses and 104 local regulators to meet their legal reporting obligations.

**Background.** ***CERS.*** CalEPA oversees the statewide implementation of the Unified Hazardous Waste and Hazardous Materials Regulatory Management Program (Unified Program), which applies regulatory standards to over 160,000 business facilities in California. CERS is a web-based application critical to the Unified Program. CalEPA built CERS in 2011 in response to AB 2286 (Feuer), Chapter 571, Statutes of 2008, which required the Secretary of CalEPA to establish a statewide information management system for the Certified Unified Program Agency Program (Unified Program). CalEPA is required to collect and report regulatory data from local government regulators now known as Unified Program Agencies (UPAs).

Businesses regulated by UPAs under the Unified Program use CERS to submit data required by California Law. In addition, some businesses use CERS data to qualify for grant funding and maintain insurance. In 2020, the CERS application received over 500,000 regulatory submissions. The CERS application has interfaces with over 60 government systems. UPAs use CERS in their compliance, monitoring, and enforcement activities for environmental programs. Annually, UPA data systems complete over 1 million electronic data transfers with CERS and supports the legal obligation of more than 160,000 businesses and 104 UPAs. In addition, the designation of the State Water Resources Control Board (and its Regional Water Quality Control Boards) as the primary oversight agency for Underground Storage Tanks (USTs) in the state and the federal funding tied to the designation relies on CERS data.

CalEPA needs to replace the near-end-of-life technology supporting CERS. The system has incomplete, inadequate, and incorrect data because the current CERS application lacks sufficient data validation controls. These problems impact data transfers to external systems and reporting functionality. The issues have resulted in missing data and inconsistent reporting to external oversight agencies, including the US Environmental Protection Agency.

***CERS NextGen.*** Since 2019, CalEPA has planned an IT refresh project (CERS NextGen) to replace the CERS application. This proposal requests spending authority for the previously approved project budget. In the fall of 2023 CalEPA split the execution of the project into two phases and received Technology Modernization Fund money in support of Phase 1. At the direction of the California Department of Technology (CDT), CalEPA resubmitted and gained approval of PAL Stage 2 documents aligning with the phased approach. During 2023-24, the CERS NextGen project acquired all of the necessary staff resources and software licenses to begin building a replacement for the CERS application. CalEPA initiated Phase 1 of the project in the summer of 2024. The project planned to deliver Phase 1 in the summer of 2025, however, the end date for Phase 1 has been extended to January of 2026.

Through the end of 2024-25, CalEPA has invested $7.3 million in the CERS NextGen project. CalEPA has completed procurement activities for the primary systems integration contract, acquired software platform licenses, and initiated work on the Phase 1 functionality to track submittals of underground storage tanks, and account for abandoned underground storage tanks throughout the state. As stated above, the primary reasons for initiating and continuing this project have not changed. As of the end of December 2025, CalEPA is preparing to initiate Phase 2 of the project which will add functionality for additional environmental regulatory programs to CERS NextGen.

**Staff Recommendation. Hold open.**

## Issue 10: Rural Certified Unified Program Agency (CUPA) (AB 993)

**Governor's Proposal.** The Governor's budget requests $720,000 ongoing resources from the Rural CUPA Reimbursement Account established in the General Fund to implement AB 993 (Hadwick), Chapter 176, Statutes of 2025.

**Background.** ***The Unified Program.*** CalEPA Secretary established a "unified hazardous waste and hazardous materials management program (Unified Program) in the 1990s. Currently, there are 81 Certified Unified Program Agencies (CUPAs) in the state. The Unified Program consolidates, coordinates, and makes consistent the following programs:

- Hazardous Materials Release Response Plans and Inventories (Business Plans).
- California Accidental Release Prevention (CalARP) Program.
- Underground Storage Tank Program.
- Aboveground Petroleum Storage Act.
- Hazardous Waste Generator and Onsite Hazardous Waste Treatment (tiered permitting) Programs.
- California Uniform Fire Code: Hazardous Materials Management Plans and Hazardous Material Inventory Statements.

***CUPA, UPA, and PA.*** *Certified Unified Program Agency (CUPA).* A CUPA is an agency certified by the CalEPA Secretary to implement the unified program. A CUPA must establish a program which consolidates, coordinates, and makes consistent the administrative requirements, permits, inspection activities, enforcement activities, and hazardous waste and hazardous materials fees.

A CUPA coordinates the overall program, including consolidating permits and inspections, even if a PA is enforcing a specific element.

*Unified Program Agency (UPA).* An UPA refers to the CUPA itself or a "Participating Agency" (PA) to the extent a PA has been designated by the CUPA, via a written agreement, to implement or enforce a particular unified program element. A local agency, such as a county or city, applies to CalEPA for certification as the UPA, responsible for implementing the Unified Program within its jurisdiction.

*Participating Agency (PA).* A PA is an agency that has a written agreement with the CUPA and is approved by the CalEPA Secretary to implement or enforce one or more of the unified program elements.

All CUPAs are UPAs, but not all UPAs are CUPAs. The CUPA is the lead agency, while a PA is a specialized agency acting under the CUPA's umbrella.

Existing law requires the CalEPA Secretary to adopt regulations and implement a unified hazardous waste and hazardous materials management regulatory program. A city or local agency that meets specified requirements is authorized to apply to CalEPA to implement the unified program, and every county is required to apply to CalEPA to be certified to implement the unified program as a Certified Unified Program Agency (CUPA). Existing law establishes the Rural CUPA Reimbursement Account (RRA) in the General Fund and requires CalEPA to allocate funds to counties with populations of less than 150,000 persons for which a CUPA has not been certified before January 1, 2000, and in which the unified program has been implemented by a CUPAS designated by CalEPA.

***AB 993 (Hadwick).*** AB 993 makes every county with a population of less than 150,000 persons eligible for these funds without regard to the date of certification or qualification regarding CUPA implementation of the Unified Program. AB 993 directs CalEPA to allocate the following amounts from the Rural CUPA Reimbursement Account to an eligible county as follows:

- If the county has a population of less than 70,000 persons, the amount of the funds allocated form the account shall not exceed 75 percent of the budgeted costs as approved by the local governing body for implementation of the unified program.

- If the county has a population of more than 70,000, but less than 100,000 persons the amount of the funds allocated from the account shall not exceed 50 percent of the budgeted costs as approved by the local governing body for implementation of the unified program.

- If the county has a population of more than 100,000 but less than 150,000 persons, the amount of the funds allocated from the account shall not exceed 35 percent of the budgeted costs as approved by the local governing body for implementation of the unified program.

CalEPA allocates no more than $60,000 for all CUPAs in an eligible county; currently $835,000 is allocated yearly to Rural CUPAs. With the implementation of AB 993, 12 newly eligible CUPAs qualify for the maximum grant of $60,000, in addition to the 13 CUPAs that are currently receiving funds from the Rural CUIPA Reimbursement Account. The total additional cost needed for grants to the newly eligible CUPAs is $720,000.

**Staff Recommendation. Hold open.**

# 0555 California Environmental Protection Agency (CalEPA)
# 3900 California Air Resources Board (CARB)
# 3940 State Water Resources Control Board (SWRCB)
# 3960 Department of Toxic Substances Control (DTSC)
# 3970 California Resources Recycling and Recovery (CalRecycle)

## Issue 11: Consolidated Administrative Operations

**Governor's Proposal.** The Governor's budget requests 14 permanent positions and reimbursement authority in the amount of $2.6 million Motor Vehicle Account (MVA) in 2026-27 and ongoing to consolidate administrative activities to support an efficient and effective government pursuant to Public Resources Code (PRC) Sections 71121 through 71126 relating to CalEPA consolidation. CalEPA's BDOs request an increase to their expenditure authority in the amount of $2.6 million proportionally split across various funds. The administration clarifies that OEHHA's total impact to the Motor Vehicle Account (MVA) is $21,000 and CalEPA's share impacting MVA is $88,000.

The proposed consolidation of administrative functions of Human Resources, Accounting, Budgets, and Acquisitions within CalEPA is intended to create a more efficient, effective way to deploy administrative services across the Agency and its BDOs while reducing duplicative efforts, and improving services.

**Background.** In January 2001 CalEPA and its BDOs consolidated 12 Sacramento office locations across the BDOs into one centralized location. As part of the co-location effort CalEPA designed the building to incorporate spaces where centralized services could be provided for all BDOs.

In 2004, Public Resources Code (PRC) Sections 71121 through 71126 directed the CalEPA Secretary to consolidate the following non-policy functions that are common among the BDOs (while preserving each BDO's independence in budget and personnel management):

- Information Technology
- Collecting fees
- Procuring basic office supplies and equipment
- Generic human resources functions that support state personnel such as:
    - Health and safety programs
    - Employee training
    - Recruitment and exams for common civil service classifications
    - Equal opportunity officers
    - Transportation

CalEPA began consolidating services in 2006 with 23 staff plus the costs for mail and printing, which are funded by the BDOs via interagency agreements. That same year, CalEPA contracted with CARB to provide human resources, budgeting, accounting, and acquisitions specifically for CalEPA's Office of the Secretary (OOS), which were also funded by reimbursement from the BDOs.

In 2019, as part of the next phase of consolidating common services, CalEPA consolidated IT services with the final step in 2024, moving IT acquisitions for CalEPA from CARB to the OOS and obtaining purchasing authority for contracts and procurement. Since CalEPA received their own purchasing

authority they have been able to coordinate group acquisitions for IT services and software that streamline services across the Agency. An example is the Service Now implementation coordinated by CalEPA, the Service Now effort includes the following:

- The Asset Management module streamlining the way CalEPA and the BDOs track capital assets across the Agency.

- The Source to Pay module which creates a transparent and effective tracking process that follows a procurement from the request phase to the invoice phase. This creates time savings.

- Human Resources (HR) module known as HR Service Delivery. The system tracks the entire lifecycle of an employee by digitizing, streamlining and automating the HR process. This platform will improve employee experience by providing a centralized HR database which will include the automation of onboarding new employees, enables employees to submit and track HR related request through a centralized system, provides access to a centralized repository for HR policies and procedures, allows employees to more easily request HR services and benefits and incorporates the capability for extracting reports and analytics.

Because CalEPA and the BDOs are on a shared network, two CalEPA staff are dedicated to ensuring proper governance and maintenance of the Service Now system across the Agency.

Historically, CalEPA has relied on CARB to perform HR, budget, accounting, and acquisition functions on its behalf. However, over time, the administration states that inefficiencies have become apparent, highlighting the need for CalEPA to establish its own fully staffed administrative structure to function as a cohesive, self-governing entity; and state that bringing HR, Non-IT Acquisitions, budgeting, and accounting in-house is a critical step towards creating an efficient organization and becoming fully compliant with PRC Sections 71121-71126.

***Motor Vehicle Account (MVA).*** According to CalEPA, MVA serves as the Agency's clearing account tied to reimbursement activity. Because the BDOs reimburse the Agency through this account, using MVA allows for consistent fiscal tracking and reconciliation. In addition, certain administrative (mail room, print room, shipping and receiving, etc.) staff are already funded through MVA, with their salaries reimbursed by BDOs. Using the same fund source for these administrative costs supports clearer labor tracking and reporting.

OEHHA selected MVA because it is their second largest appropriation after the General Fund and is currently a more viable funding source.

CalEPA further notes that if the MVA were to become insolvent in future years, both CalEPA and OEHHA would work with the Department of Finance to shift these costs to an alternate funding source and adjust their clearing account structure accordingly. Given the relatively small dollar amounts involved ($109,000), the associated fiscal risk and operational impact are expected to be minimal.

**Staff Recommendation. Hold open.**

# 3940 State Water Resources Control Board (SWRCB)
# 0555 California Environmental Protection Agency (CalEPA)
# 3900 California Air Resources Board (CARB)
# 3960 Department of Toxic Substances Control (DTSC)
# 3970 Department of Resources Recycling and Recovery

## Issue 12: CalEPA Bond and Technical Adjustments

**Governor's Proposal.** The Governor's budget requests various bond appropriations, reappropriations, and reversions; technical adjustments; and baseline adjustments to continue implementation of previously authorized programs.

**Staff Recommendation. Hold open.**

# 3930 DEPARTMENT OF PESTICIDE REGULATION (DPR)

## Issue 13: Fumigant Exposure Mitigation

**Governor's Proposal.** The Governor's budget requests $394,000 DPR Fund ongoing and two positions to lead and expand department work for modeling, data tracking, analysis, mitigation, and regulatory development related to fumigants, including 1,3-dichloropropene (1,3-D), and support continuous evaluation for other high-use fumigants.

To meet the current and additional needs to evaluate fumigants, DPR requests one Research Scientist III (RS III) and one Environmental Scientist (ES).The RS III would primarily lead work related to modeling, data tracking, analysis, mitigation, and regulatory development associated with fumigants used in fields, near ports, and around communities and analysis associated with the department's air monitoring network (AMN). This workload includes expanding AMN network, partnerships with universities, researchers and other state agencies on monitoring studies and regulatory or mitigation work related to DPR's prioritized continuous evaluation and mitigation actions that are publicly communicated annually.

Specific to 1,3-D, analysis will be required if modeled concentrations of 1,3-D in the air exceed the recently effective regulatory target concentration and the RS III will need to identify factors that led to exceedances, determine if those factors are likely to persist and work in consultation with the Office of Environmental Health Hazard Assessment (OEHHA) and the County Agricultural Commissioners (CAC) to develop and publish interim measures to mitigate the exceedances.

The ES is intended to support the tracking and analysis performed by the RS III. This includes tracking emission controls, such as totally impermeable film tarpaulins, analysis of fumigant use and air concentration data, and quality control and assurance of modeling data.

These positions are consistent with the fiscal impact identified in DPR's recent regulatory work and are intended to support broader fumigant evaluation and appropriate mitigation action throughout the department.

**Background.** ***Fumigants and DPR.*** According to the administration, fumigant pesticides continue to be of high public interest and concern due to how they are applied, the health impacts of potential exposure and volume of use in California. Fumigants can be used as insecticides, fungicides, disinfectants, nematicides, herbicides, and rodenticides, and are used in homes, structures, healthcare, and food facilities, within agriculture for crop growth and management, and to control vector-borne or animal-borne diseases.

Due to the broad use of fumigants in both agriculture and urban settings in California, DPR conducts focused work on fumigants for continuous monitoring, modeling, and analysis, and if risks are identified, develops and implements mitigation measures as appropriate to protect people and the environment. This work is additionally informed by data collected and analyzed through the department's AMN, which collects and tests ambient air in four high pesticide use areas to compare pesticide detections to regulatory targets and screening levels to determine if detections may have acute or chronic health impacts.

In addition to permanent AMN sites, DPR also conducts seasonal studies in communities across the

state, most recently concluding a multi-week study in Stanislaus County specifically analyzing the fumigants MITC and chloropicrin and answering community questions and concerns on fumigant use in the region. In 2024, DPR announced its process and next steps for expanding the AMN network and mobile monitoring capabilities for the future. This included expansion of the network to one additional site and a site selection process for additional permanent monitoring sites to the AMN to expand data available on pesticide detections in high-pesticide use regions, which was funded in 2024-2025.

Due to the increase in public concerns over the use of fumigants in the state, the demand for DPR to do more monitoring, modeling, evaluation, and regulation of these fumigants has increased significantly, well beyond the capacity of existing DPR staff. The work related to fumigant modeling, analysis, and regulation development has been historically distributed across several staff members; however, staff transitions have created a knowledge gap within the department.

***1,3-Dichloropropene (1,3-D).*** 1,3-D is a soil fumigant, which is classified as restricted material at the federal level and in the state. It was first registered as a pesticide in the US in 1954. Manufacturers sell it under the trade name Telone. Farmers use it as fumigant for nematodes and other soil-dwelling pests by injecting 1,3-D into the soil before planting and by drip irrigation after planting. 1,3-D is used for for crops such as strawberries, grapes, carrots, ornamental trees and shrubs, potatoes, and nuts.

1-3-D may get into the environment from industrial sources not related to pesticides and has been detected in sewage treatment plant wastewater. 1,3-D may form in water discharged from power plants when the cooling water is treated with chlorine. Also, manufacturing plants that process paint and ink have released wastewater containing 1,3-D.

The human body can quickly and easily absorb 1,3-D from the skin, respiratory tract, stomach, and intestines; and discharge most of it within two days. Several agencies have classified 1,3-D as a possible or probable carcinogen based on human and animal data.

***1,3-D and DPR.*** Specific to 1,3-D, DPR developed mitigation measures to address the acute and cancer risks of 1,3-D and implemented them through 1,3-D residential bystander regulations that went into effect in January 2024, and additional regulations to restrict 1,3-D use to address cancer risks for occupational bystanders are effective as of January 2026.

As part of the regulatory requirements, DPR will review additional mitigation measures beyond those established through residential and occupational bystanders' regulations and opportunities to develop additional modeling tools to model and align regulatory requirements for workers and bystanders. These regulatory efforts and stakeholder engagements have been a multi-year and resource-intensive effort that require additional resources beyond the existing DPR staff.

In addition to the complexity and high workload associated with the 1,3-D regulations, high-visibility interest in other fumigants has increased department responsibilities. DPR has publicly released its priorities for mitigation action on its website, which include action related to specific fumigants including chloropicrin (Brand names: Chloropicrin 100, PicClor, TriClor), and sulfuryl fluoride (Brand names: Master Fume, Profume, Vikane, and Zythor) among others. DPR has already absorbed some work related to the 2024 1,3-D residential bystander regulation within existing staff but does not have the staffing necessary to support 1,3-D occupational bystander regulation and new and expanded workload on other fumigants of high public interest and concern.

**Staff Recommendation. Hold open.**

**Issue 14: Spray Days**

**Governor's Proposal.** The Governor's budget requests two permanent positions and $809,000 DPR Fund ongoing for the operations, maintenance, and continued outreach for SprayDays California, a public-facing pesticide application notification system. SprayDays provides timely public access to information on scheduled California restricted material pesticide applications statewide.

This request for permanent funding provides continued technical and programmatic support of the program. Specifically, the funding is intended to do the following:

- Provide ongoing support, maintenance, stability, frequent updates, timely public notifications, and continued outreach to meet community, stakeholder, and county expectations.
- Maintain the technical system and telecoms infrastructure.
- Support ongoing development including updating functionalities and expanding language access.

One of the proposed positions is intended to serve as a data architect and would provide consistent long-term database development, maintenance, and adaptability.

Additionally, this position is intended to allow DPR to provide oversight and support to this multifaceted cloud system, leading to improved user experience, expanded data analysis capabilities, increased trust with the public, and enhanced functionality.

This request includes $375,000 for technical IT development and support.

For the second position, DPR proposes to convert a limited-term position to a permanent to provide consistent long-term communication and dialogue with stakeholders statewide.

This BCP is intended to ensure adequate staffing and resources are available to respond to feedback, to operate and maintain the platform in compliance with regulation as well as help address common challenges raised by users, including the need for clearer mapping visuals, more inclusive sign-up, access options, and notifications with broader accessibility.

**Background.** SprayDays California was funded through a one-time appropriation in the 2021 Budget Act to support the creation of a statewide, public-facing pesticide application notification system. This investment enabled DPR to design, build, and launch SprayDays California in March 2025, delivering a first-of-its-kind system that provides notifications in advance of scheduled use of California restricted material pesticides with the public.

SprayDays offers timely access to selected information from electronic Notices of Intent (NOIs) for restricted materials through a user-friendly, multilingual, and mobile-accessible website, supporting both community transparency and regulatory implementation. Between March and August 2025, over 3,000 users across 49 counties have signed up for notifications, and more than 19,000 users have visited the SprayDays map online where anyone can anonymously check if there are upcoming scheduled applications. The system received information from nearly 30,000 NOIs and sent over 29,000 notifications to registered users.

The initial development budget supported platform development, early outreach, and limited term-staffing but did not include resources for ongoing operations. Initial funding is scheduled to expire in June 2026. Without continued support, DPR cannot maintain critical cloud infrastructure, ensure data

security, maintain real-time integration with the CalAgPermits system, which provides the information necessary to populate the map and share notifications on upcoming applications, or continuously monitor system performance. These needs exceed the capacity of DPR's existing IT staffing availability and budget, which has its resources dedicated to pre-existing departmental systems. Additional funding is essential to keep the system functional and responsive for public use.

**Staff Recommendation. Hold open.**

# 3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

## Issue 15: Cost Recovery Enforcement Unit

**Governor's Proposal.** The Governor's budget requests six permanent positions and $1.1 million ($990,000 TSCA and $110,000 from the Lead Acid Battery Cleanup Fund (LABCF)) in 2026-27 and 2027-28, and $959,000 ($863,000 TSCA and $96,000 LABCF) in 2028-29 and ongoing to perform cost recovery enforcement work and to do Potentially Responsible Party (PRP) and real property title searches to locate entities responsible for historical hazardous substance releases throughout California.

The proposed resources are intended to address the need for the PRP identification and title searches to support the growing number of contaminated sites being discovered by the Site Mitigation and Restoration Program (SMRP) including but not limited to the Discovery and Enforcement (D&E) program under Cleanup in Vulnerable Communities initiative (CVCI) and the Lead-Acid Battery Recycling Facility Investigation and Cleanup (LABRIC) program.

At the current rate of approximately 22 PRP searches per year, it would take decades to complete the backlog of roughly 1,000 sites. An increase in staff is needed to address the increased demand for PRP searches and address this backlog.

PRP searches have resulted in significant cost savings for the state in recent years. In cases where DTSC has incurred response costs, the RP identified through a PRP search, pays DTSC for the past response cost. This alleviates the burden on the state to fund these cleanup activities. With the requested resources, DTSC intends increase the annual capacity for conducting PRP searches from 22 to 35, a 59 percent increase, over four years. The administration states that the PRP Search capability is vital to SMRP's success at managing its current workload and addressing the risk of a growing backlog.

Currently, the two existing staff cannot absorb this workload and are working to address the most immediate needs. Existing staff's primary duties include tracking and managing outstanding debt-driving cost recovery decisions and resolution, drafting referrals to the Office of Legal Counsel and the Attorney General's Office, drafting No Further Cost Recovery Action Needed Memorandums, Information Request Letters, Orphan Site Designation Memorandums, Demand Letters, Lien documentation updating billable party information, cost recovery performance reporting and maintaining billing, invoicing and managing Cost Recovery Management system RMS and corresponding data.

The two AGPA positions provided in 2018 only have the capacity to perform above listed tasks while working on RP basic simple searches and they continue the work of reducing the backlog and keeping the new costs from growing. Due to the existing workload, the two individuals in these positions do not have the time, experience, training and tools, or resources to adequately identify viable, liable parties as part of PRP searches.

Failure to adequately staff these positions will cost the state far more in potential lost revenue as well as reimbursement of cleanup costs from polluters as a RP will not have been identified. Since 2019, SMRP has recovered over $40 million dollars in unreimbursed costs.

**Background.** ***Cost Recovery.*** Cost recovery is consistent with the Polluter Pays Principle, which finds that those responsible for causing contamination, excluding the general public, should bear the financial burden of cleanup. This principle is embedded in the Clean Air Act, Clean Water Act, Resource

Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). It is mandated by state and federal regulations to protect the taxpayers from the costs of cleanup activities.

Determining the liability and viability of those responsible for paying for environmental cleanups requires timely, legally defensible action involving complex and specialized investigatory skills.

DTSC incurs cleanup and oversight costs (collectively known as "response costs") in investigating and remediating contaminated properties and DTSC is authorized by law to recover its costs from PRPs. The process of searching for and identifying PRP's is a necessary step in the process of recovering response costs. Without the capability to conduct PRP searches, the financial burden of cleaning up contaminated properties and environmental resources would be placed entirely on the state.

Currently, there are a total of 2,275 active sites that SMRP staff are overseeing daily. Roughly 300 of those sites are in immediate need of a Responsible Party (RP) to perform response work and/or reimburse the state's costs. By comparison, in 2018, SMRP reported 335 sites with over $1,000 in unreimbursed costs.

In addition, the D&E program has generated a need for 112 PRP searches at properties undergoing active investigation, and there are approximately 60 more properties where investigations need to start in the near future. The LABRIC program 17 identified approximately 650 suspected properties that require PRP searches. Currently, the SMRP program has approximately $50 million in outstanding costs at 166 sites where parties conducting cleanup work stopped paying DTSC's oversight costs, where RPs have not been identified, or where DTSC is pursuing costs through enforcement.

In recent years, SMRP has relied primarily on a contractor to do the majority of its PRP and title search services utilizing resources provided in the 2019 Budget. The 2019 Budget included $175,000 in ongoing funding for a contractor, as well as two Associate Governmental Program Analysts to support PRP investigation related tasks by the contractor and to perform simple searches.

Although the workload of conducting a PRP search varies based on the complexity of the contaminated site, on average a PRP and title search take 250 hours to complete and cost between $12,000-$18,000. These costs can be recovered if a viable, liable party is identified.

The contractor completed 68 PRP and title searches between 2020-22—an average of about 22 searches annually.

The two existing AGPAs can conduct simple PRP searches; however, many of the RP searches are more complex and require evaluations such as finding the right responsible party and the timeframe of the release, insurance forensics, and corporate successor liability. DTSC is currently relying on the contractor for these more complex searches; however, this is not a long-term solution and DTSC needs staff resources to conduct these more complex searches.

After identification of an RP is completed, DTSC either works with the RPs to enter into voluntary agreements or issues orders to compel investigation, cleanup, and recovery of DTSC's oversight costs. DTSC bills RPs for the department's oversight costs and tracks and manages outstanding debt. In the absence of a contractor to perform such critical services, DTSC must develop this expertise in-house to perform these services while expanding its capacity to identify the liable and viable responsible parties to facilitate essential revenue generating work.

In addition to the need to replace the work historically done by a contractor, DTSC also is seeing an increase in cost recovery workload. The number of sites is growing as new sites are identified each year. In particular, the growth of DTSC's D&E and LABRIC programs are regularly adding new sites. As a result, the total number of sites in need of immediate PRP searches has grown significantly since the resources provided in the 2019 Budget.

**Staff Recommendation. Hold open.**

## Issue 16: Exide: Continued Funding for Residential Cleanup

**Governor's Proposal.** The Governor's budget requests $70 million ($20 million LABCF and $50 million to be loaned from General Fund to TSCA) in 2026-27 and $70 million ($20 million LABCF and $50 million to be loaned from General Fund to the TSCA) in 2027-28 to clean up an additional ~1,000 residential properties, with a lead concentration level above 80 parts per million (ppm), surrounding the former Exide Technologies facility in the City of Vernon.

**Background.** ***Additional Property Cleanups Needed***. Over 6,000 high-priority properties were cleaned up by the end of 2025. An estimated 883 residential parcels with a soil lead concentration of 190 ppm have yet to be cleaned. DTSC anticipates an additional 3,460 residential properties remain to be cleaned with a lead concentration level above 80 ppm.

The 2025 Budget included $75 million ($40 million as a loan from the General Fund to TSCA and $35 million from LABCF) for the Exide residential cleanup, supporting an additional year of work and cleanup of approximately 500 properties with about 2,960 properties remaining.

There are an estimated 1,025 prioritized properties that have not consented and refuse access for cleanup. Aside from legal means to force the cleanup of these parcels without consent for access, a deed notice to inform future owners may be contemplated with the cleanup halted.

Under the Cleanup Plan, the soil target cleanup goal for lead in soil at residential properties within the Preliminary Investigation Area (PIA) was established at a soil lead concentration above 80 ppm. However, currently only the properties with a soil lead concentration of 190 ppm or higher have been prioritized for cleanup. To work within the confines of available funds, properties were prioritized by the highest concentrations of lead and greatest potential risk of exposure to sensitive individuals (e.g., children under seven years of age and pregnant women).

DTSC estimates that an additional $70 million is needed to clean up approximately 1,000 more parcels within the PIA. However, the total estimated number of properties to clean up is approximately 2,899.

***Exide***. The former Exide facility is in the City of Vernon, about five miles southeast of downtown Los Angeles. It occupies 15 acres in a heavy industrial region with surrounding residential areas about 0.75 miles to the north, south, and east. Operations at the facility included recycling lead-bearing scrap materials obtained from spent lead-acid batteries to produce marketable lead ingots. The battery recycling process required authorization from DTSC.

In 2002, DTSC issued a Corrective Action Consent Order which required Exide to investigate and clean up releases from facility operations. In early 2014, sampling results from the two nearest residential neighborhoods (Northern Assessment Area and Southern Assessment Area) showed elevated levels of lead in the top 6 inches of soils in all 39 parcels sampled.

Due to the elevated lead levels, DTSC required Exide to develop a work plan in accordance with the 2002 Corrective Action Consent Order to remediate soil contamination at plots in those areas as well as offer additional sampling to 215 off-site residential properties located in the two residential areas.

As of August 2025, DTSC has overseen the cleanup of 5,982 parcels with a soil lead concentration of 190 parts per million and above funded by $573.8 million loaned from the General Fund to TSCA. With the subsequent cleanup of the approximate 114 remaining prioritized residential properties (above 190

ppm), DTSC projects that all remaining resources will be exhausted by December 2025. DTSC estimates that by December 2025, the cleanup of more than 6,003 properties with the highest lead concentrations will have been achieved, including 12 schools, six parks, and 68 childcare facilities (i.e., settings where children spend significant amounts of time).

**Staff Recommendation. Hold open.**

## Issue 17: Implementation and Enforcement of Product Bans

**Governor's Proposal.** The Governor's budget requests $3.1 million ($582,000 TSCA, $1.8 million from the PFAS Enforcement Fund (PEF), and $728,000 from the TAMPON Act Fund (TAF)) and nine permanent positions in 2026-27 and $2.5 million ($458,000 TSCA, $1.4 million PEF, and $573,000 TAF) in 2027-28 and ongoing in order for the Safer Consumer Products (SCP) Program to comply with mandates established by:

- AB 347 (Ting), Chapter 932, Statutes of 2024;
- AB 2515 (Papan) Chapter 1008, Statutes of 2024; and,
- SB 1266 (Limón), Chapter 790, Statutes of 2024.

This proposal includes the development of new regulations, product testing, and compliance and enforcement activities. The proposal includes loans in the amount of $1.8 million from TSCA to PEF and $728,000 from TSCA to TAF in 2026-27, $1.4 million from TSCA to PEF and $573,000 from TSCA to TAF in 2027-28 for the initial implementation of the new PEF and TAF funds identified in AB 347 and AB 2515 until the registration fees and penalties generate sufficient revenues to sustain the funds and repay the loans.

The administration states that this request addresses the most time-sensitive and impactful components of these bills, noting that additional resources will be required to fully implement the new mandates. DTSC continues to evaluate registration system requirements, project scope, fee and data collection, and other additional costs and activities necessary for full implementation.

Implementing the legislation will add significant regulatory and enforcement responsibilities that differ from the SCP program's existing work. In addition, implementation will require support from other parts of DTSC's organization: The Office of Legal Counsel and the Environmental Chemistry Laboratory.

**Background.** ***Safer Consumer Products (SCP) Program.*** The SCP Program mission is to advance the design, development, and use of products that are chemically safer for people and the environment. Established under California's Green Chemistry Law (AB 1879 (Feuer), Chapter 559, Statutes of 2008), SCP is designed to evaluate chemicals and products, promote safer solutions, and prevent regrettable chemical substitutions. As part of DTSC's 2021 Governance and Fiscal Reform, the SCP Program expanded in 2022-23 to more effectively and comprehensibly implement the SCP Program.

*2024 Chaptered Legislation.* The mandates of AB 347, AB 2515, and SB 1266 impose new requirements for DTSC to develop and implement regulations, determine compliance, and enforce chemical restrictions covering a significant number of specified products.

***AB 347 (Ting): Household product safety: toxic substances: testing and enforcement***. This bill authorizes DTSC to regulate and enforce compliance of existing per- and poly-fluoroalkyl substances (PFAS) restrictions in juvenile products, textile articles, and plant-based food packaging. This bill requires manufacturers of these covered products to comply with a number of actions regarding the registration and testing of the products.

***AB 2515 (Papan): Menstrual products: PFAS***. This bill prohibits a person from manufacturing, distributing, selling, or offering for sale a menstrual product that contains regulated PFAS.

***AB 1266 (Limon). Product safety: bisphenol.*** This bill prohibits, beginning January 1, 2026, a person from manufacturing, selling, or distributing in commerce a juvenile's product, as specified, that contains

any form of bisphenol, as defined, above the practical quantification limit (PQL), to be determined by DTSC. This bill authorizes DTSC to enforce the provisions of this bill and imposes administrative or civil penalties for violations of the provisions of this bill.

**Staff Recommendation. Hold open.**

## Issue 18: Lab Equipment for Analytical Testing

**Governor's Proposal.** The Governor's budget requests $2 million ($1 million HWCA and $1 million TSCA) in 2026-27 and ongoing to replace obsolete or broken instruments and related equipment used for sample preparation and chemical analysis.

DTSC's Environmental Chemistry Laboratory (ECL) uses analytical instruments and related equipment for testing regulated chemicals in soil, water, e-waste, metal shredder waste, consumer products, blood, serum, and other materials to support compliance and criminal enforcement of California hazardous waste laws and Green Chemistry Law. The proposed $2 million in ongoing funding will allow ECL to replace 10 percent of the total cost of laboratory assets and sets an average 10-year replacement schedule.

With a consistent budget, the administration states that ECL can plan and develop a systematic schedule for instruments and equipment repair and replacement. The plan would include the evaluation of new technologies that can improve performance in sensitivity, increased applications, enhanced features and functionalities, ease of use, and/or output.

Ongoing funding would assist the department in avoiding many of the problems associated with outdated equipment, such as increased costs and scarcity of replacement parts and repair services. Over time, these challenges decrease equipment functionality and effectiveness. Technology also evolves to the point where existing instruments and data systems are obsolete. If samples cannot be analyzed in-house, DTSC would need to send the samples to external labs to complete the analysis, resulting in additional costs that cannot be absorbed.

The request is necessary to provide consistent funding to maintain DTSC's equipment to produce legally defensible data and support DTSC's enforcement power.

**Background.** ECL serves as a reference laboratory to provide technical expertise in analytical and environmental chemistry by identifying and measuring the amount of chemicals in a wide variety of biological and environmental samples and consumer products. ECL produces impartial and legally defensible data to support DTSC core activities such as community complaints, criminal investigations, compliance and enforcement actions, and site characterization and remediation.

As a reference laboratory, ECL must have the capability to reproduce, validate and/or refute data from third party laboratories used by defendants and other responsible parties DTSC is not budgeted for routine replacement of ageing, outdated, and broken instruments and equipment for the two ECL laboratories in Berkeley and Pasadena.

Historically, DTSC has used one-time augmentations through the BCP process to replace and upgrade lab equipment. However, those BCPs did not provide ongoing funding to support the replacement of laboratory equipment as they deteriorate over time.

ECL has over 200 analytical instruments and related capital equipment in its Berkeley and Pasadena laboratories worth more than $20 million. These instruments and equipment are highly specialized with great sensitivity, accuracy, and precision. Each instrument and piece of equipment has a finite service life, typically five to seven years depending on the frequency of use and types of samples tested.

ECL has been able to replace equipment only when departmental budget savings were identified toward the end of the fiscal year. This has resulted in ECL prioritizing equipment purchases based on the amount

of savings available, departmental initiatives, specific analyses requested by core programs, and feasibility of meeting the State's purchasing requirements and deadlines. This piecemeal approach is problematic, as it does not allow for adequate planning and asset management.

Additionally, the demand for analytical testing from ECL has increased with the implementation of DTSC's 2021 Governance and Fiscal Reform, which expanded DTSC's program funding and mandates. While the resources provided more staff to carry out field work, inspections, investigations, and ECL testing, it did not include any additional funding for lab supplies and equipment. The increase in demand for work and lack of sufficient funding to repair and replace capital equipment have exasperated ECL's ability to operate efficiently.

**Staff Recommendation. Hold open.**

## Issue 19: Lead-Acid Battery Recycling Facility Investigation and Cleanup: Berg Metals

**Governor's Proposal.** The Governor's budget requests $3.5 million LABCF in 2026-27 and $2.5 million LABCF in 2027-28 to conduct investigations of approximately 330 residential properties and other sensitive properties (residential properties, schools, daycare centers, and recreational properties) within the Berg Metals Reasonable Certainty Designation (RCD) Area in Los Angeles.

This request includes the purchase of the necessary equipment to build capability and capacity within DTSC's laboratories to investigate and confirm the sources of metals contamination for lead-acid battery recycling facilities to support potential enforcement actions against responsible parties.

**Background.** ***Lead and Lead-Acid Battery Recycling Facilities.*** Recycling lead-acid batteries creates byproducts that potentially threaten public health with lead exposure if not managed safely. The recycling process includes the crushing of batteries, draining of sulfuric acid, and smelting of remaining lead material in large furnaces. These furnaces, or smelters, require extensive air pollution control systems to meet current air pollution control requirements.

However, many of these facilities operated for years prior to any air pollution control requirements. Because these facilities processed scrap lead-bearing material, such as automobile batteries, their smelters contaminated nearby residential areas by releasing lead and other toxic particles into the air, which landed on those properties.

***Berg Metals Facility.*** The former Berg Metals Corporation (Berg Metals) operated as a lead-acid battery recycling facility from 1937 until 1958 in Los Angeles. During that time, Berg Metals removed lead from lead-acid batteries and other sources via a process of heating and melting ("smelting").

In 2020-21, DTSC initiated investigation and site evaluation at the former Berg Metals Corporation. This evaluation consisted of limited soil and other sampling in the area (mostly public rights of way) to inform analysis and decisions regarding whether that area can be determined with reasonable certainty to be contaminated from the facility's emissions.

In 2023-24, DTSC officially designated an area around the former Berg Metals site with reasonable certainty after giving public notice and holding public meetings. The designated area is called Berg Metals RCD Area. In this RCD Area, there are approximately 330 residential properties and other sensitive properties at total of approximately 357 Decision Units. A more detailed property-by-property investigation and evaluation is necessary in this RCD Area to determine the magnitude of the health risk to occupants and to potentially develop a remediation plan with cost estimates.

In 2024-25, DTSC conducted outreach to property owners within the RCD Area and sought access agreements from the property owners. More than 76 property owners have signed access agreements with DTSC to conduct detailed property-by-property investigation.

Completing these investigations is the necessary next step towards remediation and the reduction in risk to community members' health and safety. DTSC has not been budgeted for investigations work at the Berg site.

**Staff Recommendation. Hold open.**

## Issue 20: National Priorities List and State Orphan Sites

**Governor's Proposal.** The Governor's budget requests a transfer of $40.2 million from TSCA to the Site Remediation Account (SRA) and $40.2 million expenditure authority from SRA in 2026-27 to fund the state's National Priorities List (NPL) obligations and state orphan sites with Priorities 1A, 1B, 2, and 3, and statewide service contracts.

**Background.** ***Contaminated Sites and Their Impacts on Communities.*** Nearly one in three people in California live within one mile of a site DTSC is investigating or cleaning up contamination. Of these sites, 46 percent are disadvantaged communities disproportionately burdened by multiple sources of pollution. Cleaning up these sites (commonly referred to as brownfields restoration) provides health benefits, and the re-use of remediated hazardous waste sites can be an investment in community and economic growth. Many prior hazardous waste sites are now redeveloped parks, shopping centers, and office buildings.

***Prioritization of NPL and State Orphan Sites***. Allocation of SRA funds to a site is based on several factors. Federal NPL and state orphan sites are scored and prioritized on a quantitative weighting of exposure (number and proximity of humans or resources such as drinking water) and threat (risk of damage or harm when exposed) to public health and environmental impact.

The following provides high-level definitions of each priority:

> *Priority 1A:* Immediate and acute conditions requiring a "time critical" response.
>
> *Priority 1B:* Ongoing O&M of a state or federally funded site remediation treatment system necessary to prevent exposure to human or environmental receptors. Priority 1B includes state-match NPL.
>
> *Priority 2:* Actual human exposure or natural resource impacts under current conditions.
>
> *Priority 3:* Potential exposure under current conditions; and could allow the contamination to spread, impacting additional people and resources and increasing future costs.

DTSC assigns the highest funding priority to those sites with federally mandated costs, those that have immediate acute health threats, and those that have existing systems that require ongoing contracted costs to operate and maintain the remedy.

**Staff Recommendation. Hold open.**

## Issue 21: Pacific Gas & Electric (PG&E) Topock Compressor Station

**Governor's Proposal.** The Governor's budget requests an increase in expenditure authority from HWCA of $450,000 in 2026-2027, $500,000 in 2027-2028, $550,000 in 2028-2029, $600,000 in 2029-2030, and $166,000 in 2029-2030 and ongoing for travel to conduct field oversight of groundwater remedy construction and ensure proper protection of cultural and ecological resources during all site activities.

The funding is intended to pay for a total of about 50 trips each year, including 30 field oversight trips, quarterly public Stakeholder meetings with Tribes, monthly tribal and public participation meetings, two DTSC management meetings with Tribal Leadership, and bi-annual Topock Orientations for leadership and project members to interact. The number of staff that would participate in these oversight visits and meetings ranges from 3 to 12 personnel.

DTSC is reimbursed for all travel costs by PG&E, resulting in a net zero cost for the state. This BCP is only for increased expenditure authority to incur the travel costs prior to reimbursement. PG&E will be billed for DTSC's costs, and the payments will be deposited in HWCA as cost recovery revenues.

Lack of DTSC oversight may result in damage to sacred Native American sites or improper implementation of the remedy, potentially contaminating the Colorado River with hexavalent chromium.

**Background.** ***PG&E's Topock Compressor Station.*** PG&E's historical operation of the Topock Compressor Station resulted in 6 million gallons of hexavalent chromium contaminating groundwater in the area near the Colorado River.

DTSC is the lead state agency overseeing this cleanup, along with the Department of Interior as the lead federal agency and several Native American Tribes. The Topock site is a sacred Native American site for several native American tribes.

The Topock project is under a Consent Agreement with PG&E under the Hazardous Waste Control Account. PG&E has proposed, and DTSC has approved, construction of a large groundwater extraction and reinjection system to clean up hexavalent chromium and protect the Colorado River from contamination. Due to the Topock remediation system's location on a sacred Native American Site, DTSC must perform greater than typical construction oversight to ensure that the treatment system is constructed per the agreed upon design and that sacred Native American sites are protected.

In addition, pursuant to 2005 and 2012 *Fort Mohave Indian Tribe (FMIT) v. DTSC/PG&E* Settlement Agreements, DTSC is mandated to hold in person meetings with representatives of the Fort Mojave Indian Tribe and to consult with the Tribe regarding the importance of cultural resources and sacred places affected by the cleanup activities at the PG&E Topock site. The settlement also requires the DTSC to conduct field oversight to verify that cultural resources are protecting and conduct quality control of the final groundwater remedy construction/operation.

Due to the project's remote location near the California-Arizona border, all on-site meetings and field oversight activities require travel authorization. In 2024-25, PG&E began construction activities and associated on-site meetings causing the number of required field oversight and stakeholder meetings to increase dramatically.

**Staff Recommendation. Hold open.**

**Issue 22: Responsible Battery Recycling Act of 2022**

**Governor's Proposal.** The Governor's budget requests one permanent position and $216,000 Covered Battery Recycling Fund (CBRF) in 2026-27 and ongoing for administration of the Responsible Battery Recycling Act of 2022 (AB 2440 (Irwin), Chapter 351, Statutes of 2022), including overseeing stewardship program plan submissions to DTSC and ensuring compliance with Hazardous Waste Control Law (HWCL). Additionally, DTSC requests a one-time loan from TSCA of $216,000 in 2026-27 for the initial implementation and administration costs of AB 2440.

The resources requested are necessary to execute DTSC's responsibilities pursuant to the Covered Battery Act once CalRecycle's regulations are implemented. These resources are intended to support DTSC's oversight of proper battery management and compliance with HWCLs and regulations, as well as facilitate efforts to reduce the risk of environmental contamination and fire hazards.

CalRecycle anticipates the regulations implementing the Act to be adopted around October 1, 2026, and DTSC anticipates beginning receiving stewardship plans in April 2027. As a result, DTSC requests a one-time loan from TSCA to CBRF for the initial implementation costs of this bill. The loan will provide the funding necessary for DTSC to begin implementing the Act until DTSC's costs are reimbursed by the program operators, including the cost of the loan.

DTSC's responsibilities include coordination with CalRecycle on the regulatory development process, including the review proposed regulatory language, participation in public workshops, and responding to public comments related to HWCLs and regulations. DTSC must provide cost estimates and payment schedules to program operators, review submitted product stewardship plans and annual reports for compliance with state and federal laws and regulations within DTSC's jurisdiction and provide compliance determinations. Additionally, DTSC intends to create a new web page for the Responsible Battery Recycling Act and create fact sheets for the public and regulated entities to promulgate the new regulations and provide links to the existing HWCLs and regulations, including those related to battery disposal under the universal waste management standards.

This new workload exceeds the capacity of the existing DTSC staff and cannot be absorbed.

**Background.** ***Battery Disposal.*** Batteries play a crucial role in powering a vast array of devices and systems that are integral to daily routines and necessary for technological advancement. Batteries contain valuable minerals that can be recovered, recycled, and reused. However, batteries become hazardous waste when discarded, and the improper disposal of end-of-life batteries poses a significant threat to human health and the environment. Current California regulations prohibit batteries from being disposed of in regular trash or recycling bins destined for landfills. Many residents are unaware of the dangers posed by improper battery disposal and an estimated 7,294 tons of batteries are improperly disposed of in California landfills annually.

***Battery Perils.*** Batteries contain toxic metals such as mercury, lead, cadmium, and nickel, which when improperly disposed of in landfills or with regular trash, can leak harmful chemicals into the soil and groundwater, impacting human health and the environment. Certain batteries, especially rechargeable lithium-ion and nickel-cadmium batteries can cause fires and even explosions when managed improperly. According to the administration, in recent California history, improperly disposed batteries, especially lithium-ion types, have been a leading cause of fires at battery collection sites, waste collection facilities, and waste management and recycling collection vehicles. These fires endanger the waste management and recycling workforce, halt operations, and cause significant property damage. For

example, a facility fire in San Ramon, California in 2016 resulted in a 3-month closure of the facility and property damage exceeding $8.5 million.

***The Responsible Battery Recycling Act of 2022 (Act)***. The Act requires producers of batteries, either individually or through the creation of one or more stewardship organizations, to establish a stewardship program for managing the collection and recycling of end-of-life covered batteries.

DTSC and CalRecycle oversee this program. While CalRecycle is the lead agency for the program, DTSC has primary authority to regulate hazardous waste and plays a key role in ensuring the safe handling and management of end-of-life covered batteries in compliance with hazardous waste control laws and regulations. The Act requires DTSC to do the following:

- Work closely with CalRecycle to adopt regulations, including developing the regulatory framework, supporting the rulemaking process, and promulgation of implementing regulations.

- Review stewardship plans and annual reports for compliance with state and federal laws and regulations within DTSC's jurisdiction and provide compliance determinations to the program operator. CalRecycle estimates 540 producers are subject to the requirements of AB 2440 and most producers will participate in stewardship organizations, reducing the total number of stewardship plans to be reviewed. However, the number of stewardship plans that will be submitted to DTSC is unknown. This proposal anticipates that there will be about five program operators.

- Provide program operators with an estimate of its actual and reasonable regulatory costs and fees directly related to the implementation and enforcement of the Act, along with a payment schedule.

**Staff Recommendation. Hold open.**

## Issue 23: Generation & Handling Fee Cleanup (Trailer Bill Language (TBL))

**Governor's Proposal.** The Governor's budget requests TBL, which, among other things, does the following:

- Authorizes DTSC and CDTFA tax to continue to administer and collect the fee if it was due and payable on or before September 30, 2022, rather than on or before June 30, 2022.

- Makes various changes to the Hazardous Substances Tax Law. Among other things this TBL specifies that provisions that apply to the returns and payments of the G&H fee also apply to specified G&H fees for specified projects. (Current law imposes a different G&H fee for specified projects.)

- For imposing a penalty, the TBL changes the standard of proof from "willfully or knowingly" (intentional and conscious act) to "preponderance of the evidence" (more likely than not) of a feepayer who provides incorrect information or withholds information that results in a deficient payment or nonpayment.

- Makes various technical changes.

**Staff Recommendation. Hold open.**

# 3970 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE)

## Issue 24: Short-Lived Climate Pollutants (AB 1046)

**Governor's Proposal.** The Governor's budget requests one permanent position and $188,000 in 2026-27 and ongoing from IWMA to implement AB 1046 (Bains), Chapter 719, Statutes of 2025, requiring CalRecycle to complete the full Administrative Procedure Act (APA) process for regulations on statewide mandatory organic waste collection, pursuant to SB 1383 (Lara), Chapter 395, Statutes 2016.

Due to the projected increased workload, CalRecycle will need one Senior Environmental Scientist (Specialist) to manage the large number of regulated entities affected by the changes (i.e., agricultural crop preparation services and jurisdictions). CalRecycle intends to require additional staff to handle the workload to implement AB 1046, which includes the following:

- Revising the regulations associated with SB 1383;
- Developing and providing technical assistance to agricultural crop preparation services;
- Developing and delivering education and outreach for jurisdictions to verify accuracy in documents submitted to CalRecycle;
- Monitoring the exemptions and providing proper notice to impacted agricultural crop preparation services;
- Developing and maintaining data information systems to manage timelines; and,
- Developing a re-application process.

CalRecycle will need extensive outreach to educate the regulated entities on these new requirements. This includes ongoing communication, responding to technical questions, and conducting follow-up as required. Outreach will also involve webinars, meetings, and correspondence with regulated entities.

**Background.** ***Organic Waste.*** Nearly 40 million tons of waste are disposed of in the state's landfills annually. Nearly half of those materials are organic (~48 percent). Organic waste includes food, yard, paper, and other organic materials. As the that material decomposes in landfills, it generates significant amounts of methane, a potent greenhouse gas (GHG) with 84 times the climate impact as carbon dioxide. CARB states that about 20 percent of methane emissions in the state comes from landfills.

***SB 1383 (Lara): Short-Lived Climate Pollutants (SLCP): Organic Waste.*** SB 1383 requires CARB. To approve and implement a comprehensive SLCP strategy to achieve, from 2013 levels, a 40 percent reduction in methane, a 40 percent reduction in hydrofluorocarbon gases, and a 50 percent reduction in anthropogenic black carbon, by 2030. In order to accomplish these goals, the law specifies that the methane emission reduction goals include targets to reduce the landfill disposal of organic waste, including food, 50 percent by 2020 and 75 percent by 2025 from 2014 levels. SB 1383 also requires that 20 percent of edible food that would otherwise be sent to landfills be redirected to feed people by 2025. Specifically, the law requires jurisdictions to establish food recovery programs and strengthen existing food recovery networks; food donors to arrange to recover the maximum amount of edible food; and, food recovery organizations and services that participate in SB 1383 to maintain specified records.

***Food Processors.*** When developing the SB 1383 program, CalRecycle cast a wide net to ensure that the program covers all sources of organic waste. This has resulted in all food processors being subject to the

program, even though a number of processors do not routinely dispose of any food materials to a landfill. Little guidance has existed for local jurisdictions about how to regulate processors that do not dispose of material in a landfill. More specifically, agricultural crop preparation services generally do not generate food to be recovered as they typically repurpose any byproduct.

***AB 1046 (Bains): Short-lived climate pollutants: recovered organic waste product: agricultural crop preparation service.*** AB 1046 exempts food processing establishments that have not historically disposed of organic waste in a landfill from SB 1383 regulatory requirements specified organic waste management (edible food recovery) by creating a waiver option for these entities.

These changes will create new regulatory, compliance, and educational challenges for CalRecycle, by requiring the revision of related SB 1383 regulations, development of new guidance, education and outreach, tools, and training for agricultural crop preparation services and jurisdictions.

**Staff Recommendation. Hold open.**

## Issue 25: Large Volume Transfer Processor Facility Based Material Characterization Study

**Governor's Proposal.** The Governor's budget requests one-time resources of $500,000 ($200,000 IWMA and a $300,000 loan from BCRF to the California Circular Economy Fund (CCEF)) to fund two studies: (1) a statewide large volume transfer processor (LVTP) facility-based material characterization study; and, (2) a contracted Reclaimer study to characterize the reclaimers' entities that receive material from California LVTPs.

The proposed LVTP study and Reclaimer study costs reflect the utilization of CalRecycle staff to conduct historically contracted characterization works, general cost increases, taking more samples, including more facilities to improve statistical confidence, the type of study (recovery), and the addition of verifying and characterizing the reclamation facilities to process the materials.

Additionally, some or all the costs associated with the contracted Reclaimer study may be eligible for reimbursement by the Producer Responsibility Organization (SB 54 (Allen), Chapter 75, Statutes 2022). The material types and forms sorting list is intended to align with SB 54 covered material categories to inform the SB 54 recyclability determinations.

***LVTP Study.*** LVTP study is intended to assess over 90 material types and forms in the recycling stream across California at 25-40 LVTPs. The requested travel and logistics funding is intended to be used by CalRecycle research staff to characterize solid waste and recyclable materials at solid waste facilities. Data collected in these periodic material characterization studies are necessary to inform policy and programs targeted at reversing this trend.

CalRecycle staff intend to implement the study design, provide project oversight, conduct quality control, and hand-sort. Staff intend to perform visual characterizations on homogeneous materials (i.e., cartons vs. mixed paper), collect additional data at rural facilities, and verify that reclamation facilities process the materials.

***Reclaimer Study.*** Reclaimer study is meant to assess the availability and characteristics of entities that purchase materials from California LVTPs to reclaim and return that material to the economic mainstream. This is intended to provide actionable information for CalRecycle.

**Background.** ***SB 343 (Allen), Chapter 507, Statutes of 2021.*** This bill tightened the requirements around the permissible use of the "chasing arrows" recycling symbol and when claims regarding recyclability may be made and required CalRecycle to publish the types and forms of recyclable products and packaging.

The LVTP study is intended to help fulfill the requirements of SB 343 (Allen), which, among other things, requires CalRecycle to provide sufficient information to the public to evaluate whether a product or packaging is recyclable in the state and is of a material type and form that routinely becomes feedstock in producing new products and packaging.

***Material Characterization Studies.*** An initial recovery facility-based material characterization study was completed and published by CalRecycle in 2023, and a new update is required by January 1, 2027. A study update is required to be completed and published by 2027, which is intended to measure and report on material types and forms that are collected, sorted, sold, or transferred by large volume transfer/processors (LVTP) for recycling to inform which items can be labeled as recyclable in California.

CalRecycle has conducted three types of material characterization studies to measure waste streams. *Disposal-based studies* (2014, 2018, 2021, and 2025), *generator studies* (2021), and *recovery facility-based studies* (2023):

- *Disposal-Based Studies.* These studies are typically conducted at landfills and sample municipal solid waste from commercial, residential, and self-haul sources.

- *Generator Studies.* These studies collect material directly from the generator site (i.e., an apartment complex or restaurant).

- *Recovery Facility-Based Studies.* These studies take place at material recovery facilities and involve sorting recovered material, including baled materials such as mixed paper, cartons, and cardboard.

Based on past studies, generator and facility recovery studies generally require more resources than disposal-based studies.

In 2023, CalRecycle completed its first recovery facility-based material characterization study and published the preliminary SB 343 findings in December 2023. In February 2024, CalRecycle held a public workshop to review the findings and completed the final report in April 2025.

The 2023 study included 23 facilities and 459 samples. CalRecycle utilized a specialized contractor with professional waste sorters to categorize over 90 material types. CalRecycle staff provided project oversight and conducted quality control, including documenting the contractor's sorting, performing visual characterizations on homogeneous materials, analyzing data, and preparing reports.

The scope of a study conducted in 2023 was insufficient to gather actionable information on the fate of materials collected, sorted, and sold by LVTPs. In particular, the study scope did not include the characterization of reclaimers receiving those materials and whether those reclaimers were reclaiming the materials consistent with the requirements of the Basel Convention.

(The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal was adopted in 1989 by the Conference of Plenipotentiaries in Basel, Switzerland, in response to a public outcry following the discovery, in the 1980s, in Africa and other parts of the developing world of deposits of toxic wastes imported from abroad. It is a multilateral environment agreement with the overarching objective of protecting human health and the environment against the adverse effects of hazardous wastes and other wastes requiring special consideration.)

**Staff Recommendation. Hold open.**

## Issue 26: Statewide Disposal Facility-Based Material Characterization Study

**Governor's Proposal.** The Governor's budget requests one-time funding of $1 million ($700,000 loan from BCRF to the California Circular Economy Fund (CCEF) and $300,000 from IWMA) in 2026-27 for a statewide disposal facility-based materials and waste characterization study. This study will satisfy the statutory requirement to perform a materials and waste characterization study of covered material pursuant to SB 54 (Allen), Chapter 75, Statutes 2022, provide estimates of statewide waste amounts to track progress towards SB 1383 (Lara), Chapter 395, Statutes of 2016, targets, and measure and track materials disposed of in California landfills.

The one-time request of $1 million to conduct the disposal facility-based material characterization study is intended to be split into two components:

- The first component includes $700,000 to perform the materials and waste characterization study with costs directly related to the implementation of SB 54. This includes applicable staff hours and expenses, that will be reimbursed by the SB 54 Producer Responsibility Organization (PRO) as directed in statute. Until the revenues from PROs materialize, CalRecycle requests a one-time loan of $700,000 from BCRF to the California Circular Economy Fund (CCEF) to fund this portion of the study.

- The second component includes $300,000, for materials outside of those required in SB 54. The administration notes that by combining the SB 54 required study scope with broader data collection to inform other key programs (e.g. SB 1383), the cost and effort of the broader data collection is significantly reduced — When sorting material to measure the types and quantities of organic waste, it is highly efficient to measure the types and quantities of other key materials being disposed of, such as batteries, household hazardous waste, construction debris, and different kinds of waste.

The statewide disposal study is intended to continue to measure and track progress towards SB 1383 targets, in addition to measuring and monitoring materials disposed of in California landfills. CalRecycle recognizes the need to separate funding from SB 54 costs related to PRO reimbursements, and requests that the SB 1383-related study be funded by IWMA.

To conduct the study, the physical collection and sorting of solid waste samples, recording of that data, data quality control procedures, and data delivery to CalRecycle will be conducted by contracted labor, and all other tasks will be completed by CalRecycle staff. The physical collection and sorting of solid waste and recycling streams' complex and dynamic nature requires significant knowledge, skills, and field experience that civil service employees cannot provide. The contractors perform this type of work year-round across the country for individual cities and other states. This keeps their knowledge, skills, and abilities current and allows them to sort efficiently, quickly, safely, and accurately.

**Background.** ***SB 54 Material Characterization Study.*** From February 2025 to April 2025, CalRecycle conducted a disposal facility-based materials and waste characterization study to measure the approximate amount of covered material (single-use packaging and plastic food-service ware) disposed of in California landfills.

This was the first materials and waste characterization study that CalRecycle field research and characterization staff were onsite alongside contracted field staff for the entire project. The preliminary findings report was published on June 30, 2025.

***Statewide Disposal Facility-Based Waste and Material Characterization Study.*** CalRecycle periodically conducts materials and waste characterization studies to analyze the composition of waste. These studies measure, weigh, and quantify specific materials, such as cardboard, paper bags, newspapers, bottles and containers, glass, used oil, electronics and plastics within the disposal waste stream. Materials include but are not limited to These materials and waste characterization studies have been performed every two to six years since 1999. CalRecycle has conducted statewide material characterization studies to estimate the amounts and types of materials disposed. Specifically, CalRecycle programs rely on data and measurements from these studies to track progress towards meeting statutory goals.

CalRecycle measures the disposal of organics in the waste stream to track and provide metrics to determine if the goals are met, by estimating the total amount of organics disposed in landfills based on samples collected and comparing that to the goals of the program.

Expanding a disposal facility-based materials and waste characterization study to incorporate SB 54-covered materials and other CalRecycle programmatic materials of interest including organics, textiles, batteries, household hazardous waste, and e-waste, is intended to allow for baseline measurements and goal tracking. Additionally, the composition data for the overall disposed of waste stream will track changes in the waste stream, assess impacts compared to previous materials and waste characterization studies, and inform policy and program directions.

***Increase in labor and travel costs***. The costs for materials and waste characterization studies have increased by 39 percent over 11 years. This is demonstrated by comparing the total cost of facility-based materials and waste characterization studies in 2014 and 2025 ($504,000 vs. $700,000, respectively).

The number of samples a contractor can complete for a project has decreased over the years due to increased labor and travel costs. Since 2023, CalRecycle has implemented a pay-per-deliverable contract model, where labor and travel costs are incorporated into the per-unit deliverable price, and the deliverable is an individual hand-sorted, characterized sample and associated data.

In addition to labor, other increased expenses include fuel, travel, and lodging costs. The contracted field team and CalRecycle staff are deployed to sites throughout the state. The additional cost of travel and approved overtime for CalRecycle staff increases the study cost; however, the results include the best value for the state as the staff ensures the contractor is collecting data in alignment with the study design through project quality assurance and provides project oversight, resulting in quality control. By being onsite with the contractor, CalRecycle staff can address questions and concerns identified by the contractor in real time.

**Staff Recommendation. Hold open.**