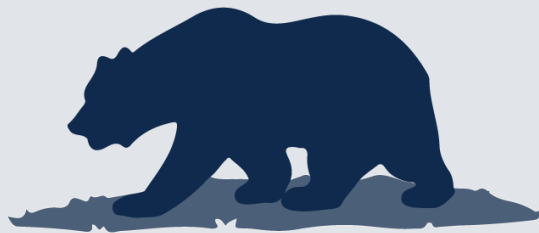


# The 2021-22 Budget: DTSC Governance and Fiscal Reform Package



Presented to:

**Senate Budget Subcommittee 2 on  
Resources, Environmental Protection  
and Energy**

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# Four Major Components

- **Board of Environmental Safety**
- **Structural shortfall of Hazardous Waste Control Account (HWCA)**
- **Structural shortfall of Toxic Substances Control Account (TSCA)**
- **Brownfield cleanups**

# Board of Environmental Safety

- **Approve proposal with modifications to increase legislative oversight.**
  - Senate and Assembly each have the opportunity to appoint a board member.
  - Gubernatorial board members be subject to Senate confirmation.
  - The board report annually to the Legislature on the department's performance.

# Structural Shortfall of HWCA

## Proposed Uses of New HWCA Revenues Beginning in 2022-23 (In Millions)

Expenditures	Amounts
Address HWCA structural deficit	\$22.5
Additional program spending	22.5
Enforcement	6.0
Federal delegation requirements	4.0
Criminal investigations	4.0
Legal services	2.5
Information technology systems	2.5
Permitting	2.0
Hazardous waste management plan	1.5
Set aside for HWCA reserves	3.1
Administrative costs for new board	1.5
<b>Total</b>	<b>\$49.6</b>

HWCA = Hazardous Waste Control Account.

- Approve one-time General Fund of \$22.5 million in 2021-22.
- Adopt HWCA charge restructure and increases.
- Approve Governor's proposal to grant board with ability to adjust charge levels in future years.

# Structural Shortfall of TSCA

## Proposed Uses of New TSCA Revenues Beginning in 2022-23

(In Millions)

Expenditures	Amounts
Additional program spending	\$36.5
Site cleanup staff	21.5
Safer Consumer Products Program	10.0
Legal services	2.5
Information technology systems	2.5
Address TSCA structural deficit	13.0
Set aside for TSCA reserves	3.6
Administrative costs for new board	1.5
<b>Total</b>	<b>\$54.6</b>

TSCA = Toxic Substances Control Account

- Approve one-time General Fund of \$13 million in 2021-22.
- Adopt a TSCA tax package that raises sufficient revenues to pay for desired expenditures.
- Approve Governor's proposal to grant board with ability to adjust tax in future years.

# Structural Shortfall of TSCA

(Continued)

## Annual Environmental Fee Rate Changes Under Governor's Proposal

2022-23

Number of Employees	Existing <sup>a</sup>	Proposed
50-74	\$362	—
75-99	636	—
100-249	1,261	\$1,261
250-499	2,706	2,706
500-999	5,054	16,500
1,000 or more	17,144	56,000

<sup>a</sup> Administration's estimate of environmental fee if no reforms were adopted.

- Design a TSCA tax package that reflects legislative priorities.

# Brownfield Cleanups

- **Consider merits independently from reform package.**
- **Key policy and implementation questions.**
  - What intended goal is the highest priority for funding?
  - How will grant funding complement and support other proposals?
  - How would department ensure housing objectives are met?
  - Does demonstrated need exist for developing remediation workforce?

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