



Robert de Ruyter
Department of Alcoholic Beverage Control
Business Consumer Services and Housing Agency
3927 Lennane Drive, Suite 100
Sacramento, CA 95834

June 24, 2019

Dear Mr. de Ruyter:

Thank you for submitting the Standardized Regulatory Impact Assessment (SRIA) and the summary (Form DF-131) for the Alcoholic Beverage Control proposed regulations on Responsible Beverage Service Training Program as required in California Code of Regulations, title 1, section 200(a)(1) for major regulations. As proposed regulations were not submitted with the SRIA, these comments are solely based on the SRIA.

The proposed regulations require the 56,000 establishments with alcohol licenses in California get training for their 1 million beverage servers by August 2021, with the goal of reducing the estimated \$35 billion in annual costs of alcohol-related incidents in California. A similar program in Oregon reduced incidents by over 10 percent. Local training requirements currently cover about 10 percent of servers, but proposed regulations will require a more comprehensive accredited course. The four-hour course will have an average cost of \$89 (staff time and certification exam included) per trainee and each of the 75 existing training providers are expected to spend an average of \$9,000 to adapt their courses and receive accreditation. After full implementation, servers will be required to be certified before they are hired, and will bear the costs of recertification every three years. The SRIA estimates that 900,000 servers will be trained in 2021 and 211,000 in 2022. Based on these estimates and assumptions, the proposed regulations will impose direct costs of \$101 million in 2021. Ongoing annual costs will vary from \$20 million in 2022 to \$62 million in 2024, given alcohol server turnover, new alcohol servers, and alcohol server re-certifications. The SRIA estimates annual benefits for California of \$1.8 billion in 2022-2023 as the training takes effect and \$3.5 billion in 2024 and after.

Finance generally concurs with the methodology used to estimate the annual economic impacts under the proposed regulations and appreciates the advance consultations to prepare the assessment of proposed regulations.

This comment is intended to provide sufficient guidance outlining revisions to the SRIA. The SRIA, a summary of Finance's comments, and any responses must be included in the rulemaking file that is available for public comment. Finance understands that the proposed regulations may change during the rulemaking process. If any significant changes to the proposed regulations result in economic or fiscal impacts not discussed in the SRIA, please note that the revised impacts must be reflected on the Standard Form 399 for the rulemaking file

submittal to the Office of Administrative Law. Please let us know if you have any questions regarding our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Irena Asmundson".

Irena Asmundson
Chief Economist
Department of Finance

cc: Mr. Lenny Mendonca, Director, Governor's Office on Business and Development
Ms. Debra Cornez, Director, Office of Administrative Law
Ms. Alexis Podesta, Secretary, Business Consumer Services and Housing Agency
Mr. Jacob Appelsmith, Director, Department of Alcoholic Beverage Control