Department of Alcoholic Beverage Control

Standardized Regulatory Impact Assessment


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1. Statement of the Need for the Proposed Regulation

AB 1221, the Responsible Beverage Service (RBS) Training Program Act of 2017 (RBSTPA), is codified in the California Business and Professions Code, Division 9, Chapter 16, Article 4. It requires the Department of Alcoholic Beverage Control (ABC) to develop, implement, and administer a curriculum for a statewide RBS program and promulgate regulations specifically addressing the approval of RBS Training Providers on or before January 1, 2020.\textsuperscript{1} ABC is also granted general authority to adopt rules necessary for the administration of the RBSTPA.\textsuperscript{2}

A 2015 study shows the total yearly cost of excessive alcohol consumption for the entire California economy was $35 billion in 2010.\textsuperscript{3} The Legislature sought to curb the negative effects of overuse of alcohol by enacting the RBSTPA and making RBS training courses and an exam mandatory for all persons who serve alcohol for consumption and their managers.\textsuperscript{4} The legislative intent of the RBSTPA is to reduce service of alcohol to intoxicated customers and underage persons at ABC On-Sale Licensed Premises. Other states have implemented similar programs to the RBSTPA and have seen the overuse of alcohol diminish within their jurisdictions.

2. Definitions

The following definitions are used and presented for the purposes of this document and the RBSTPA. They create no change to any definitions found within the ABC Act or its accompanying regulations.

Alcohol Server - Persons employed at an ABC On-Sale Licensed Premises that serves alcohol to the public for consumption and managers of those persons.\textsuperscript{5}

ABC On-Sale License -- ABC License that grants the privilege to serve alcoholic drinks to customers who consume them within the licensed premises. Many different types of ABC licenses qualify under this definition.\textsuperscript{6}

ABC On-Sale Licensee -- The owner of an ABC On-Sale License

ABC On-Sale Licensed Premises -- Establishment where an ABC On-Sale Licensee uses the privileges granted by an ABC On-Sale License.

\textsuperscript{1} Business and Professions Code § 25681(b)(1)
\textsuperscript{2} Business and Profession Code § 25685(b)
\textsuperscript{4} Business and Professions Code § 25680(a)
\textsuperscript{5} \textit{Id.}
\textsuperscript{6} The following Licenses have On-Sale privileges: Type 1, 2, 3, 4, 23, 40, 41, 42, 43, 44, 45, 46, 47, Duplicate 47, 48, Duplicate 48, 49, Duplicate 49, 50, 51, 52, 53, Duplicate 53, 54, 55, Duplicate 55, 56, Duplicate 56, 57, Duplicate 57, 58, 59, 60, 61, 62, Duplicate 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, Duplicate 71, 72, Duplicate 72, 73, 74, 75, Duplicate 75, 76, Duplicate 76, 77, 78, Duplicate 78, 80, 83, 86, 87, Duplicate 87, 88, Duplicate 88.
Accreditation Agency – A business entity ABC has given the authority to approve RBS Training Providers by reviewing the material in their RBS Training Courses. The Accreditation Agency must comply with the standards set within the RBSTPA and the accompanying regulations.

Manager – Anyone who oversees, supervises, or trains an alcohol server at an ABC On-Sale Licensed Premises.

Oversee – Including but not limited to making policy or operational decisions which dictate how alcohol service is performed at an ABC On-Sale Licensed Premises, such as when to check identification, or when to refuse service to a customer.

RBS Certification Exam – Exam given to alcohol servers after they receive an RBS Training Course to test the alcohol server’s knowledge of required RBS material.

RBS Trainer – An owner or employee of an RBS Training Provider that creates, maintains, or delivers an RBS Training Course.

RBS Training Course – A course that complies with the standards found in the RBSTPA and is accredited by ABC or an authorized Accreditation Agency.

RBS Training Provider – An approved business entity that uses an RBS Training Course to provide alcohol servers the training necessary to pass the RBS Certification Exam and be certified under the RBSTPA.

Serving alcoholic beverages for consumption – constitutes any of the following; (1) checking customer identification, (2) taking customer alcoholic drink orders, (3) pouring alcoholic drinks for customers, or (4) delivering alcoholic drinks to customers, by an alcohol server, as defined under Business and Professions Code § 25680(a), with a member of the public as an employee or contractor of an ABC On-Sale Licensee.

3. Major Regulation Determination

Senate Bill 617 (Stats. 2011, ch. 496) established new regulatory impact assessment standards for major regulations. State agencies must conduct a Standardized Regulatory Impact Assessment (SRIA) when it estimates that a proposed regulation has an economic impact exceeding $50 million.

The California state economy is heavily reliant upon the hospitality industries. ABC currently has 56,098 licensed establishments in the state with on-sale privileges, meaning they can provide alcohol to the public to be consumed on the licensed premises. ABC and the various industries involved estimate each of these ABC On-Sale Licensed Premises have an average of twenty Alcohol Servers who will need to be certified under the new RBSTPA mandate. Using these estimates as a baseline, ABC estimates 1,000,000 individuals will be required to successfully take an accredited RBS Training Course and pass an RBS Certification Exam to serve alcohol at an ABC On-Sale Licensed Premises prior to August 31, 2021.
The average statewide RBS Training Course in California currently costs $30-$40, if the course is not given for free by a non-profit group or governmental agency. The national average cost of an RBS Training Course in areas where RBS Training Courses are mandatory is currently $17.50. ABC and its stakeholders estimate the average cost for an RBS Training Course in California will be $20 after the mandatory requirement is put into place due to increased demand and competition. The administration of an RBS Certification Exam by ABC is estimated to cost $3-$5. Each Training Course will be estimated to be 4 hours long requiring employers to pay an average of $64 in wages per Alcohol Server. In total the estimated average cost of an RBS Training Course is $89 per Alcohol Server for the initial rollout. Due to the large scale of people directly impacted by the RBSTPA, the economic impact of the proposed regulations will far exceed the $50,000,000 threshold for a major regulation within the first year of mandatory RBS training just for the costs of the RBS Training Courses.

4. Methods by which the Agency sought public input

ABC has sought public input from the stakeholders most affected by the RBSTPA regulations package. To seek this input ABC has held public stakeholder meetings throughout California. The RBS stakeholders were divided into five different groups; ABC On-Sale Licensees, local government leaders, law enforcement agencies, alcohol policy groups, and current and prospective RBS Training Providers.

The first sessions occurred in September and October 2018 to establish baselines with the industry and discuss the needs of the program set by the RBSTPA. Many of the above estimates come directly from the initial public stakeholder outreach and the ABC policy decisions were all made with the various stakeholders in mind.

ABC has continually sought to develop an RBSTPA mailing list to update the stakeholders of further ABC policy options and decisions. Using its RBSTPA mailing list, ABC sent a survey regarding mandatory curriculum topics in November 2018. ABC also sought input on the creation of the RBSTPA Curriculum through the use of this list. ABC will continue to work with stakeholders throughout the RBSTPA regulations promulgation process.

The second group of stakeholder meetings was held in February 2019. These sessions involved specific discussions regarding policy decisions made by ABC in the intervening period, and how the various stakeholders will interact with the RBSTPA’s implementation. It focused on the implementation of ABC’s full service system allowing stakeholders to implement all requirements of the RBSTPA without building their own technology as well as in depth discussion of possible curriculum topics.

The third group of stakeholder meetings will be held in June 2019. These sessions will involve a workshop to discuss the proposed regulatory language with the various stakeholder groups and obtain input prior to formally noticing the proposed regulatory language through the Office of Administrative Law.
Through the above public outreach, ABC sought to ensure the public is aware of the RBSTPA and the changes to RBS training and the ABC On-Sale Licensee industry in California. ABC made this effort with hope the implementation of the RBSTPA will be smooth and consistent. It is anticipated the normal regulations notice period will begin on July 5, 2019 and the public will again be able to be engaged and work with ABC to ensure the regulatory language will be the best for all affected parties and fulfill the legislative intent of curbing the harmful costs of overuse of alcohol on the California economy and California citizens.

5. Economic impact method and approach.

ABC has worked with the ABC On-Sale Licensees and other ABC stakeholders to provide estimates of the number various entities directly impacted by the RBSTPA regulations package. These same stakeholders, through meetings with ABC, have aided in the development of the costs associated with each of these groups as the RBSTPA is implemented in 2020 and 2021. ABC relied upon vetted and published academic studies cited to make good faith estimates regarding the benefits of implementing the RBSTPA. ABC used the Regional Input-Output Modeling System (RIMS II) to provide the multipliers to show additional effects of the costs, investments, and benefits of the proposed regulations on the California economy. Where estimates cannot be done with accuracy, due to a lack of available data, or are overly broad, impacts are stated qualitatively rather than quantitatively.

6. Description of Agency’s baseline

As discussed above, the estimated annual cost to California’s economy for the overuse or alcohol is $35 billion dollars annually.

ABC has a total of 56,098 ABC On-Sale Licensees as of 2018. The average yearly growth of ABC On-Sale Licensees is 2.11 percent over the preceding four years.

Current RBS courses in California, in a limited and fragmented market, are either provided in limited fashion for free by non-profit and governmental organizations, or cost $30-$40 per student. ABC estimates there are about 75 active businesses and non-profit entities currently providing this service in California.

There are small fragmented markets for RBS training created by the various local jurisdictions that currently require mandatory RBS training. It is estimated 10% of the Alcohol Servers in California reside in these mandatory areas. However, the current RBS courses, standards, and effects vary throughout the state based on numerous factors. These disparate and fragmented requirements are enforced differently by each jurisdiction making it very difficult to measure current effects or impacts on a statewide level. It is anticipated that none of these RBS courses currently being used will be fully compliant with the mandatory RBSTPA guidelines set by the Legislature and the anticipated RBSTPA regulations package set forth by ABC.

Some ABC On-Sale Licensees throughout California attempt to give their employees RBS training in order to educate their staff, limit likelihood of ABC violations, and lower insurance
rates, even if it is not required by their local jurisdiction. The current RBS training in these circumstances is often ineffective, sporadic, and does not lead to a change in outcomes. It is estimated another 10% of all qualified Alcohol Servers receive at least one RBS training from their employers in non-mandatory jurisdictions. Some of the costs attributed to the new program will be redirected by ABC On-Sale Licensees from old forms of RBS training provided to employees. There is no way to know how much is currently spent on RBS training by ABC On-Sale Licensees and thus it is impossible to show how much of the estimated economic impact will be lessened by diverting funds already used yearly for this purpose. Through its meetings with stakeholders and information provided on a small scale, ABC considers these current RBS training funds to be small enough to be negligible in the overall economic impact analysis.

ABC’s Licensee Education on Alcohol and Drugs (LEAD) program has long been the standardized RBS program offered throughout California. Many of the mandatory jurisdictions use LEAD as a minimum standard for RBS Training Courses. However, LEAD will not comply with the high standards set by the Legislature when the RBSTPA goes into effect in 2021. It is hoped that these increased standards will have a higher impact on reducing the total overuse of alcohol throughout California.

ABC is anticipating that it will need to fill the role of accrediting RBS Training Providers without an approved Accreditation Agency. ABC does not want to influence the RBS Training Course market while also being the sole decision maker to allow RBS Training Providers into the market. Therefore, ABC believes it must stop offering its LEAD program for staff at an ABC On-Sale Licensed Premises once the implementation of the RBSTPA has begun rather than updating the LEAD program to comply with the new standards of the RBSTPA. ABC anticipates all Alcohol Servers in all areas of California will be able to receive approved RBS Training Courses from approved RBS Training Providers once the RBSTPA is implemented. But, if ABC becomes aware of an underserved population, ABC retains the ability to enter the training market and provide an approved RBS Training Course to fill gaps in accessibility as needed.

7. Economic impacts of the proposed major regulation by category.

**Alcohol Servers**
The individuals who fall under the statutory definition of an Alcohol Server will be directly impacted by the RBSTPA and ABC’s proposed regulation package. In order to better understand and estimate the number of individuals included in this definition, ABC needed to define “serving alcoholic beverages for consumption” under the Alcohol Server definition.

ABC is defining alcohol server as someone employed or contracted at an ABC On-Sale Licensed Premises who participates in any of the four following steps in Serving Alcohol to the public for consumption at an ABC On-Sale Licensed Premises, (1) checking identification for age of the customer, (2) taking a customer’s alcoholic drink order, (3) pouring an alcoholic drink for a

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7 Toomey et al., “Qualitative Assessment of Training Programs for Alcohol Servers and Establishment Managers,” Public Health Reports, Vol. 113 (March/April 1998)
8 Business and Professions Code § 25680(a)
customer, or (4) delivering an alcoholic drink to a customer. This definition excludes persons who serve small samples of alcoholic beverages to other ABC licensees in an attempt to distribute alcoholic products, and targets the public service at ABC On-Sale Licensed Premises to limit the service of alcohol to intoxicated customers and minors. The proposed definition limits individuals who qualify as Alcohol Servers under the statutory definition, but still complies with the legislative intent of the RBSTPA.

ABC estimates that currently 1,000,000 people will be directly impacted by the new requirement and qualify as alcohol servers under the new mandate. Each of these individuals will be required to pay for an RBS Training Program and RBS Certification Exam, at an estimated average of $25, receive RBS Training from an accredited RBS Training Provider, and receive reimbursement for costs of the training program and wages for the time spent in the RBS Training Program from their current employer at an estimated average of $16 per hour. An RBS Training Course will last an average of four (4) hours.

After the initial implementation, ABC anticipates that ABC On-Sale Licensees will require all newly hired alcohol servers to be certified prior to being hired and the burden to pay for and take any RBS Training Course will fall upon the individual alcohol servers for their initial certification.

**ABC On-Sale Licensees**

ABC On-Sale Licensees employ persons who will qualify as alcohol servers under the statutory definition. Through the ABC stakeholder meetings, ABC is informed that the ABC On-Sale Licensee believe they must provide wages to their current employees at the ABC On-Sale Licensed Premises for the amount of time taken to complete the RBS Training Course, and reimbursement for the cost of the RBS Training Course. The mandatory certification will be a requirement for their continued employment and ABC On-Sale Licensees believe California law requires employers reimburse employees for these types of trainings. In addition, some Alcohol Servers in certain hospitality industries have union contracts with their employers requiring wages for time spent in any mandatory training and reimbursement for mandatory training costs.

The RBSTPA requires all ABC On-Sale Licensed Premises to only employ alcohol servers with a valid certification, and to keep records of certifications available for inspection upon request. Each ABC On-Sale Licensed Premises will need to create and continually update a set of certification records for its alcohol servers as required by the RBSTPA.

**RBS Training Providers**

Prior to the passing of the RBSTPA, California had both for profit training companies and non-profit organizations that provided RBS training. Most of these existing RBS programs are

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9 See discussion of the need of ABC On-Sale Licensees to reimburse current employees for the amount paid for their RBS Training Course and pay wages for time taking the course below.
10 Minimum Wage in 2021 will be $15 per hour in California.
11 California Labor Code § 2802.
12 Business and Professions Code § 25682(b)(1).
located in county and city jurisdictions with mandatory RBS training. These local jurisdictions had various rules and disparate requirements making it difficult to create one unified program within California.

Existing RBS programs will benefit from an increased market size and a uniform statewide program. An estimated 100,000 alcohol servers in California are required to receive some type of RBS training by the various local mandates in place prior to the passage of the RBSTPA. The new RBS training market will be required to grow close to 1000% with the estimated 1,000,000 individuals being required to take an RBS Training Course, as noted above. In addition, the 100,000 individuals currently receiving training were formerly segregated by different rules and requirements forcing programs to specialize in specific geographic areas with courses that did not always comply with other local mandates. This barrier to entry will be removed with the new unified statewide system under the RBSTPA allowing every approved RBS Training Provider to participate in a statewide market using the same RBS Training Course standard established by the RBSTPA and its accompanying regulations.

Each RBS Training Provider, including existing RBS programs, will need to seek accreditation under the standards set by ABC through the RBSTPA regulations. Accreditation will involve approval of an RBS Training Course used by RBS Trainers employed or contracted by an RBS Training Provider. It is estimated this process will cost RBS Training Providers $800-$1000 per curriculum approval. Each RBS Training Provider will also need to modify their existing trainings to comply with the statutorily mandated subjects and ABC regulated subject matter required for accreditation. In discussing with the industry, depending on the current curriculum of an RBS Training Provider, this content development should cost from $2,000 to $10,000.

**RBS Accreditation Agency**

ABC is required by statute to choose one or more accreditation agencies to approve RBS Training Providers by the standards set by ABC.\(^{13}\) ABC is allowed to recover its costs for the process of ensuring an Accreditation Agency is appropriate for approval.\(^{14}\) ABC wishes to ensure an Accreditation Agency's impartiality and is requiring Accreditation Agencies to refrain from providing their own RBS Training Courses and have no affiliation with any RBS Training Provider or ABC On-Sale Licensee. Estimated costs of ABC approval will be $1500 per Accreditation Agency for background checks of all owners and decision makers to ensure the Accreditation Agency complies with the above approval requirements. ABC has received no requests from any individuals or businesses who seek to become an RBS Accreditation Agency.

\(^{13}\) Business and Professions Code § 25681(a)(2)

\(^{14}\) Id.
8. Description of all economic costs due to the proposed regulatory change.

**Costs of Initial Implementation of the RBSTPA**

This analysis will take into account the costs and benefits to those in California affected by the RBSTPA from the date of filing with the Secretary of State to the completion of the first round of RBS Training for the estimated 1,000,000 servers currently employed in California.

**Alcohol Servers**

Each alcohol server will be required to successfully complete an RBS Training Course and pass an RBS Certification Exam. RBS Training Courses are varied in cost, and some non-profit organizations provide free RBS Training Courses three to four times a year. On average, it is estimated that alcohol servers will pay $20 per RBS Training Course and $3-$5 to pass the RBS Certification Exam administered by ABC.

Alcohol servers will also incur the cost of an average of four hours of their time to complete both the RBS Training Course and take the RBS Certification Exam. The average hourly worth of alcohol server time in 2021 is estimated to average $16 per hour, for a total of $64 per server time lost.

Alcohol servers who are currently employed by an ABC On-Sale Licensed Premises will be paid at their hourly wage for the amount of time needed to complete the RBS Training Course and be reimbursed for the cost of the course due to the RBS Training Course being a requirement of their continued employment. However, this will most likely be given to Alcohol Server as a part of their normal scheduled hours already being currently worked. Thus the initial costs of the RBSTPA for alcohol servers will be borne by ABC On-Sale Licensees through these reimbursements.

**ABC On-Sale Licensees**

As discussed above, ABC On-Sale Licensees have informed ABC that they plan to pay their employees at their hourly wage for the amount of time needed to complete the RBS Training Course. ABC On-Sale Licensees believe that this requirement is due to California Labor Law or various union contracts enforceable by industry. This cost constitutes $64 per Alcohol Server.

ABC On-Sale Licensees will need to install a certificate tracking system, or modify an existing tracking system to ensure all employees that are alcohol servers are certified according to law. ABC is developing a full service database system to minimize this cost of a new certificate tracking system for ABC On-Sale Licensees. Under the current chosen alternative, ABC and its stakeholders have estimated an average cost of $200 per ABC On-Sale Licensed Premises to sync their records to the ABC full-service system in the first year. Further ongoing costs of keeping these records to date will be included in actions of previous record keeping requirements and are therefore negligible and are not included in this assessment.
<table>
<thead>
<tr>
<th>Costs for ABC On-Sale Licensees</th>
<th>Direct Costs in Millions of Dollars</th>
<th>RIMS II Multiplier</th>
<th>Total Economic Impact in Millions of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursements for RBS Training Course for existing employees</td>
<td>20.0</td>
<td>2.3383&lt;sup&gt;15&lt;/sup&gt;</td>
<td>46.8</td>
</tr>
<tr>
<td>Reimbursement for ABC Administered RBS RBS Certification Exam for existing employees</td>
<td>5.0</td>
<td>2.2191&lt;sup&gt;16&lt;/sup&gt;</td>
<td>11.1</td>
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<tr>
<td>Wages Paid to Alcohol Servers</td>
<td>64.0</td>
<td>2.1321&lt;sup&gt;17&lt;/sup&gt;</td>
<td>136.5</td>
</tr>
<tr>
<td>Create and Maintain Records for the RBSTPA</td>
<td>11.2</td>
<td>2.1321&lt;sup&gt;18&lt;/sup&gt;</td>
<td>23.9</td>
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<tr>
<td><strong>Total Costs for ABC On-Sale Licensees</strong></td>
<td><strong>100.2</strong></td>
<td></td>
<td><strong>218.3</strong></td>
</tr>
</tbody>
</table>

**RBS Training Providers**

Current RBS Training Providers will need to expand and update their RBS Training Courses to comply with the new RBSTPA standards. The average estimated cost per the RBS industry to adapt their training to the new mandates is $8,000 for technology, staff, and time spent.

Each RBS Training Provider will also pay an estimated cost of $1,000 to either an Accreditation Agency or ABC to receive approval for an RBS Training Course.

ABC estimates through its stakeholder outreach and through discussing with the industry 75 RBS Training Providers will seek accreditation. This includes many of the 75 existing RBS Training Providers in California, consolidation of the existing 75 RBS Training providers into one program, and new entries to the California RBS training market from existing out of state providers.

ABC has learned from current RBS training providers that since they are currently giving courses, updating courses, and have trained staff, the only costs created by the implementation of the RBSTPA is the estimated start-up costs of updating curriculum and training initial new hires in 2020. ABC and current RBS training providers do not estimate any new ongoing costs going forward due to the implementation of the RBSTPA or the accompanying regulations package.

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<sup>15</sup> RIMS II, Other educational services, 611B00, Output.
<sup>16</sup> RIMS II, Other government enterprises, S00A00, Output.
<sup>17</sup> RIMS II, Food Service and Drinking Places, 62, Industry Aggregation California
<sup>18</sup> Id.
<table>
<thead>
<tr>
<th>Costs for RBS Providers</th>
<th>Initial Estimates in Millions</th>
<th>RIMS II Multiplier</th>
<th>Total Economic Impact in Millions</th>
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<tr>
<td>RBS Training Providers creation of RBS Training Courses and Initial Approval</td>
<td>0.7</td>
<td>2.3383&lt;sup&gt;19&lt;/sup&gt;</td>
<td>1.59</td>
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</table>

**Yearly Analysis of Costs and Benefits of Implementation of the RBSTPA**

The following is a yearly analysis of the costs and benefits to all impacted starting with the anticipated date of filing the RBSTPA Regulations Package with the Secretary of State, estimated to be January 1, 2020, using the base estimates analyzed above, including applicable RIMS II Multipliers. In addition, it will take into account the following: ABC has documented the average yearly growth of ABC On-Sale Licensees in California at 2.11% from 2014 through 2018 and, ABC has learned from its stakeholders that statewide the average yearly turnover rate for Alcohol Servers is estimated to be 20%.

**Yearly Costs of Implementation of the RBSTPA**

In the first year, 2020, a total of $0.68 Million for start-up costs for RBS Training Providers and $11.22 Million of start-up costs for ABC On-Sale Licensees to create required records to track their alcohol server employees’ certifications. There will be $8.9 Million of costs to ABC On-Sale Licensees to train an estimated 100,000 servers by the end of the first year, bringing the total costs for 2020 to $20.8 Million.

In 2021, there will be the training of an estimated 900,000 existing employed alcohol servers. The cost to ABC On-Sale Licensees for this training is $80.1 Million.

In 2022, it is estimated that there will be 221,100 alcohol servers trained based on the average yearly industry growth of ABC On-Sale Licenses and turnover rate in existing alcohol server jobs outlined above. These will all be new hires, and therefore, the ABC On-Sale Licensees will not be required to reimburse alcohol servers for their time or costs to take the RBS Training Course. The cost of RBS Training for the alcohol servers is an estimated $19.7 Million in 2022.

In 2023, it is estimated that there will be 276,965 alcohol servers trained based on expiring licenses from 2020, the average yearly industry growth of ABC On-Sale Licenses and turnover rate in existing alcohol server jobs outlined above. ABC On-Sale Licensees will bear the $4.6 Million cost for the 51,200 renewals and the remaining 225,765 will be newly hired alcohol servers and their cost is estimated at $20.1 Million. The total cost for 2023 is estimated to be $24.7 Million.

In 2024, there is an estimated 230,529 newly hired alcohol servers and an estimated 460,800 retained alcohol servers that must renew their expiring RBS Certification. The cost of training the 230,529 new hires will be $20.5 Million, and the cost of training 460,800 retained alcohol servers is estimated at $9.3 Million.

<sup>19</sup> RIMS II, Other educational services, 611B00, Output
servers will be $41 Million for ABC On-Sale Licensees. The total costs for 2024 are estimated to be $61.5 Million.

<table>
<thead>
<tr>
<th>Year</th>
<th>First Time Certifications</th>
<th>Turnover Servers</th>
<th>Re-Certifications</th>
<th>Total trainees</th>
<th>Total Servers Statewide</th>
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<tbody>
<tr>
<td>2020</td>
<td>100,000</td>
<td>0</td>
<td>0</td>
<td>100,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>2021</td>
<td>900,000</td>
<td>0</td>
<td>0</td>
<td>900,000</td>
<td>1,000,000</td>
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<tr>
<td>2022</td>
<td>21,100</td>
<td>200,000</td>
<td>0</td>
<td>211,100</td>
<td>1,021,100</td>
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<tr>
<td>2023</td>
<td>21,545</td>
<td>204,220</td>
<td>51,200</td>
<td>276,965</td>
<td>1,042,645</td>
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<tr>
<td>2024</td>
<td>22,000</td>
<td>208,529</td>
<td>460,800</td>
<td>691,329</td>
<td>1,064,645</td>
</tr>
</tbody>
</table>

A similar three year costs cycle of new hires and retained alcohol servers will continue moving forward from 2024 coupled with an estimated 20% yearly turnover for alcohol servers, and a 2.11% average yearly industry growth in the amount of ABC On-Sale Licensees.

<table>
<thead>
<tr>
<th>Costs in Millions of Dollars</th>
<th>2020-</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>RBS Training Providers</td>
<td>0.7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.7</td>
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<tr>
<td>ABC On-Sale Licensees</td>
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<td>80.1</td>
<td>0.00</td>
<td>4.6</td>
<td>41.0</td>
<td>145.8</td>
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<tr>
<td>Alcohol Servers</td>
<td>0.00</td>
<td>0.00</td>
<td>19.7</td>
<td>20.1</td>
<td>20.5</td>
<td>60.3</td>
</tr>
<tr>
<td>Total</td>
<td>20.8</td>
<td>80.1</td>
<td>19.7</td>
<td>24.7</td>
<td>61.5</td>
<td>206.8</td>
</tr>
</tbody>
</table>

**Benefits of the RBSTPA Regulations Package**

The goal of the RBSTPA is to reduce the costs of overuse of alcohol on the California economy. Currently the most recent study estimates that in 2010 a total of $35,010,600,000 was the cost of the overuse of alcohol in California. It is difficult to estimate the total effect upon the overuse of alcohol after the implementation of the RBSTPA, but it can be inferred the total overuse of alcohol will decrease by some measurable amount. If the implementation of the RBSTPA can diminish the overuse of alcohol by just five percent, it would lead to a $1,750,530,000 yearly benefit to the California economy as a whole beginning in the year 2022. ABC anticipates the positive effects will expand to a ten percent reduction in the overuse of alcohol throughout the state by the end of the third year, leading to a benefit of $3,501,060,000 in 2024.

Oregon implemented a similar mandate that Alcohol Servers receive RBS Training Courses. The effect of the law increased over the first three years of experience, as the proportion of servers in the state who were trained increased. In the first six months under the new policy, there was an estimated reduction in single vehicle nighttime (SVN) crashes of 4%. But by the end of the first year under the new rules, the observed reduction in single vehicle nighttime
crashes increased to 11%, increasing again to a reduction of 18% by the end of the second year and 23% by the end of the third year. These figures represent the net estimated decline in single vehicle nighttime crashes following the implementation of the mandatory training policy, independent of the effects of long-term patterns and cycles in single vehicle nighttime crashes in Oregon, independent of the effects of policy changes reducing the allowable driving blood alcohol level to .08 g/dl, independent of policy changes strengthening DUI enforcement and penalties, and controlling for the pattern in SVN crashes in the other 47 contiguous states which did not implement a mandatory training policy. ABC is optimistic the implementation of the RBSTPA will have a similar effect in California leading to the yearly five percent decrease above by 2022 and 2023. If California can see similar effects to the Oregon implementation of Mandatory RBS Training for Alcohol Servers, ABC is anticipating a full ten percent reduction in the overuse of alcohol in the state and the corresponding reduction of the costs borne by the California economy by 2024.

<table>
<thead>
<tr>
<th>Estimated Benefits in Billions</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in cost of overuse of Alcohol in California</td>
<td>0</td>
<td>0</td>
<td>1.75</td>
<td>1.75</td>
<td>3.5</td>
<td>7.0</td>
</tr>
</tbody>
</table>

9. Economic impact of estimated first 12-Month period exceeding $50 million

It is anticipated the RBSTPA Regulations package will go into effect on or before January 1, 2020. Once the regulations go into effect, the costs associated with building the ABC database and RBS Certification Exam portal will begin as well as the RBS Training Provider accreditations and modifications to their programs. Most of this will occur within the first nine months of 2020. It is estimated 75 RBS Training Providers will seek approval and each will have to create a conforming RBS Training Course. During this nine month period, the economic impact will not approach $50,000,000 as shown by the estimates above.

The actual training of the 1,000,000 Alcohol Servers in California is anticipated to begin on September 1, 2020. This will allow one year for all the training to occur prior to the statutory deadline of August 31, 2021. This one year period will include the $100.2 Million estimated economic impact on ABC On-Sale Licensees associated with providing RBS Training Courses to alcohol servers and the time to create the records systems to track employee certifications. However, it is anticipated the large majority of alcohol servers, close to 75%, will choose to comply with the mandatory RBS Training Courses between May 1, 2021 and August 31, 2021.

This four month period is estimated to include $75.2 Million of the economic impact on ABC On-Sale Licensees, stated above.

10. Fiscal Impact to State Government and Alternatives Considered

The RBSTPA required ABC to develop, implement, and administer a curriculum for an RBS training program on or before January 1, 2020. Once standards are established by regulation, ABC will be tasked with auditing and enforcing administrative penalties for non-compliance with the regulations by ABC On-Sale Licensees, any approved Accreditation Agencies, or RBS Training Providers. Most of ABC’s regulatory costs are fixed due to the Legislative mandate on the implementation of the RBSTPA. ABC is incurring costs to develop, implement, and administer the RBSTPA.

Although some local jurisdictions have mandated RBS Training currently, these programs can be approved under the implementation of the RBSTPA, or discontinued depending on the choices of the local jurisdictions. It is anticipated that most funding provided on the local level for mandatory RBS programs will remain constant in these areas because most of the local costs were based on enforcement through their local peace officers. Regardless, the RBSTPA does not create a new local mandate of any kind either in the statute or the proposed regulations.

The RBS Certification Exam is an area where the statute was otherwise silent. Below, three differing options for administering the RBS Certification Exam are discussed weighing the burdens upon ABC On-Sale Licensees, alcohol servers, and RBS Training Providers versus the certainty the RBS Program is providing its anticipated benefits of educating alcohol servers statewide.

Proposed Solution – ABC Administration of an Online RBS Certification Exam

ABC determined it would need to have some sort of online database to make it feasible to enable ABC On-Sale Licensees to ensure alcohol servers have been certified under the RBSTPA. An online system would also limit alcohol server fraud in manufacturing fake RBS Certifications. In researching the online database system, ABC discovered providing a full service system including an ABC administered RBS Certification Exam would provide the best outcomes.

An online RBS Certification Exam would limit the burden on alcohol servers, have better accessibility statewide, and provide funds for a contractor, or ABC IT, to build ABC’s database, online RBS Certification Exam, and provide support to the alcohol servers using the online RBS Certification Exam. An online RBS Certification Exam would remove fraud possibilities from the RBS Training Providers and be self-auditing through collection of exam pass rates and success rates of specific questions and topics.

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21 Business and Professions Code § 25681(a)
22 Business and Professions Code § 25681(d)
This will allow ABC to use analytics collected from the exam results to show the effectiveness of each RBS Training Provider, RBS Trainer, and RBS Training Course to facilitate monitoring the effectiveness of the RBSTPA implementation. This data collection and conversion into functional analytics would not be possible under other exam options. In addition, the exam pass/fail results would be immediately accessible to both the alcohol servers and ABC On-Sale Licensees seeking to confirm their employees’ compliance. An online RBS Certification Exam would have the ability to randomly generate questions. This would greatly decrease the likelihood of alcohol servers memorizing answer keys and not truly understanding the material. For alcohol servers who do not pass the online RBS Certification Exam, immediate feedback could be given regarding the topics of questions they were unable to answer to increase their chances of passing in the future.

The ABC Administered RBS Certification Exam option was chosen because it was shown to provide the most large scale economic and educational benefits with the least adverse economic impact upon alcohol servers, ABC On-Sale Licensees, and RBS Training Providers.

The following are estimates for information technology (IT) and program development costs analysis done by ABC Staff. This program will be on a revolving three year cycle due to the length of a valid RBS certification as discussed above in the yearly economic impact analysis.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>ABC RBSTPA Staff**</td>
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<td>561</td>
<td>381</td>
<td>381</td>
<td>381</td>
<td>2,282</td>
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<td>1,217</td>
<td>2,115</td>
<td>1,882</td>
<td>7,621</td>
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</table>

The revenues generated from the ABC administration of the RBS Certification Exam will need to cover the initial start-up and ongoing costs of the three year cycles while seeking to be revenue neutral. The fees will be adjusted overtime to ensure that the program will be revenue neutral over time. If there are no applications received by ABC for an Accreditation Agency, ABC will need to provide all approvals for the estimated 75 RBS Training providers. It is also estimated in this table that ABC will apply a $5 fee per RBS Certification Exam.

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** These amounts are from, 2018-2019 Budget Change Proposal that is already in place to provide ABC staff to implement the RBSTPA.
Revenue in Thousands of Dollars

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<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
<th>Total</th>
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<tr>
<td>Revenue from ABC Approval of RBS Training Providers and yearly fees</td>
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<td>18.75</td>
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<td>Revenue from ABC Administration of RBS Certification Exam</td>
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Total Estimated Cost and Benefits of Proposed Solution

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<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBS Training Providers</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.7</td>
</tr>
<tr>
<td>ABC On-Sale Licensees</td>
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<td>80.1</td>
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<td>Alcohol Servers</td>
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<td>19.7</td>
<td>20.1</td>
<td>20.5</td>
<td>60.3</td>
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<td>206.8</td>
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Estimated Benefits in Billions

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<tr>
<th>Reduction in the cost of the overuse of Alcohol</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>1.75</td>
<td>1.75</td>
<td>3.5</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Alternative 1 – In-Person and Online Proctoring for RBS Certification Exam

ABC examined the option of mandating the RBS Certification Exam for alcohol servers be formally proctored outside of an RBS Training Course with an exam created by ABC. ABC would create an exam by contracting with education and exam creation experts to ensure the veracity of the challenge exam. This contract would have an estimated cost of $25,000 for a full finished product. The proctoring option would ensure RBS Training Providers teach the
appropriate material and the alcohol server has learned the material with a low likelihood of fraud. Requiring the RBS Certification Exam to be proctored would allow accompanying regulations for the approval of the Accreditation Agency and RBS Training Providers to be less costly as there would not be the need for costly extensive background checks for the RBS Training Providers. This would decrease the costs associated with RBS Training Provider approval by ABC for all parties involved. In addition, a proctored RBS Certification Exam could be used as a self-auditing tool so ABC would not need to allocate significant resources to audit the RBS Training Courses being provided after initial approvals.

However, in order to mandate in-person or online proctoring of the RBS Certification Exam, ABC would need to contract with other California entities, like California Community Colleges, other education groups, a private proctoring company, or multiple proctoring companies, to ensure the test is available to all 1,000,000 alcohol servers statewide. ABC would also need to allow the contracted test provider access to the ABC Certification Database to ensure the RBS Certification Exams are matched to the correct alcohol server who received training. The stream of training and testing data would involve many areas where human error could cause increased ABC costs, confusion for law enforcement, and faulty ABC On-Sale Licensee records of employees’ certifications.

The proctoring option would also cause a significant burden upon the alcohol servers and ABC On-Sale Licensees. Paying for individual proctoring can cost as much as $200 per test in rural areas, but averages $100 per RBS Certification Exam. This heavy burden would be exacerbated if alcohol servers do not pass on the first attempt as each attempt at passing the RBS Certification Exam would require an additional proctoring fee. This figure does not include travel time and costs to and from a proctoring location. With an anticipated 1,000,000 Alcohol Servers being trained, and factoring the 2.3383 RIMS II multiplier, this one additional cost would add over $233,830,000 to the initial fiscal impact of the RBSTPA regulations package in 2020 and 2021. This cost would then be repeated and spread over the next three years in 2022-2024 as the population of alcohol servers experienced turnover and certifications expired after three years. ABC determined the fiscal impact and burden upon alcohol servers and ABC On-Sale Licensees under this alternative was too high to be reasonable and rejected this alternative for the administration of the RBS Certification Exam.

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24 RIMS II, Other educational services, 611B00, Output.
Total Estimated Cost and Benefits of Alternative 1

<table>
<thead>
<tr>
<th>Costs in Millions of Dollars</th>
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<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBS Training Providers</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0.7</td>
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<tr>
<td>ABC On-Sale Licensees</td>
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<td>42.7</td>
<td>43.6</td>
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<table>
<thead>
<tr>
<th>Estimated Benefits in Billions</th>
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<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in the cost of the overuse of Alcohol in California</td>
<td>0</td>
<td>0</td>
<td>1.75</td>
<td>1.75</td>
<td>3.5</td>
<td>7.0</td>
</tr>
</tbody>
</table>

**Alternative 2 – RBS Training Providers Administering the RBS Certification Exam**

Many of the existing RBS Training Courses include some sort of exam at the end of their course to ensure the students understand and comprehend the material. Due to the varied and fragmented rules in place in the various mandatory RBS jurisdictions in California, these RBS exams are all different and would most likely fail to comply with the legislative curriculum standards set by the RBSTPA. This would mean that RBS Training Providers would also need to modify and create a RBS Certification Exam leading to another $1000 - $5000 of cost to each of the RBS Training Providers in preparation of accreditation. ABC would also need to authorize each RBS Training Provider's RBS Certification Exam under this option leading to minor increased costs of accreditation by $100-$200 per RBS Training Provider. These additional startup costs and ABC review fees would add an additional estimated cost of $390,000 to the costs estimated in 2020. These costs would raise the average cost of an RBS Training Course by $3-$5 dollars; this would provide no change to the costs and benefits to alcohol servers but shift the benefits for ABC to recover costs from the administration of the RBS Certification Exam to the RBS Training Providers. ABC would need to recover its costs of the program in some way from the Training Providers directly in years 2021 – 2024, like charging a per student fee of $5. This shifting of costs and benefits does not affect the total estimates of the implementation of the RBSTPA.

Alternative 2 would also incentivize RBS Training Providers to have the shortest and easiest exam under the ABC regulations. This would effectively lower the impact of the RBSTPA over
time due to lack of change in alcohol server behavior due to ineffective RBS training. This would cause the ABC estimates of the benefits to the California Economy to be much lower or even non-existent. The RBS Certification Exams would need to have static questions to allow the RBS Trainers the ability to correct them quickly. The RBS Certification Exam, grading, and uploading the information to an ABC database would increase the costs of an RBS Training Course by an estimated $5. This would also create some incentive to publish the RBS Certification Exam questions and allow Alcohol Servers to memorize an answer key rather than learn the information.

Allowing RBS Training Providers to administer the RBS Certification Exam at the end of their RBS Training Courses is the easiest way to execute. This option would not place any additional burden upon alcohol servers or ABC On-Sale Licensees beyond paying for and attending the RBS Training Course and the additional time to take a written exam following the conclusion of an RBS Training Course. RBS Training Providers would be able to upload all information on their students to the ABC Certification Database at one time for those who took the course and passed the exam.

However, when RBS Training Providers administer the RBS Certification Exam, there is a greatly increased likelihood for fraud by both the alcohol servers and the RBS Training Providers. ABC would need to allocate significant resources to audit individual RBS Training Courses to ensure the material being taught and the administrations of the RBS Certification Exam are being done as approved by ABC. Extensive ABC auditing would be the only way to ensure alcohol servers are being taught the correct curriculum and the anticipated benefits of the program are realized.

The RBSTPA Regulations Package would need to include RBS Certification Exam requirements to be met by the individual RBS Training Providers. Examples include, being taken in pen, being corrected and graded by the RBS Training Providers themselves, and graded tests being provided to ABC for auditing purposes.

Through giving RBS Training Providers the power to individually certify and test their students, additional limits on approved RBS Training Providers would also need to be imposed, such as no affiliation or employment with any ABC licensee. ABC would need a more extensive approval process for RBS Trainers on an individual basis, including background and affiliation checks. The extra steps for approval would raise the per trainer cost by $100-$200 and add an additional start-up cost of $100,000 for the Training Providers in year 2020, and an ongoing cost of $5,000 per year due to RBS Trainer turn over.

Under Alternative 2, the quality of the RBS training provided by implementation of the RBSTPA would suffer. RBS Certification Exam creation would also be a big barrier to entry for the non-profit and low cost options currently in the market that do not provide extensive testing in their current RBS training. The increased enforcement costs for ABC personnel and law enforcement agencies to enforce the RBSTPA standards under this alternative would approach or even exceed
the costs saved under this model in order to provide the benefits envisioned in the legislative intent for the RBSTPA.

The market pressures driving RBS Training Providers accredited under this option would lead to faster and less-intensive RBS Training Courses and RBS Certification Exams as RBS Training Providers seek more market share. These market pressures have manifested themselves in other mandatory RBS jurisdictions and are seen as negating the positive economic impacts surrounding overconsumption of alcohol which goes against the Legislative intent of the RBSTPA. If the implementation of the RBSTPA does not provide at least a one percent reduction to the overuse of alcohol the benefits would not outweigh the considerable costs of implementing the RBSTPA in the California economy. ABC does not anticipate a five percent reduction in the overuse of alcohol under Alternative 2, but rather a two percent reduction providing only $750,212,000 yearly indirect benefit to the California economy in 2022 and possibly a 5 percent reduction of $1,750,530,000 in 2024. For this reason Alternative 2 was rejected by the ABC.

Total Estimated Cost and Benefits of Alternative 2

<table>
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<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBS Training Providers</td>
<td>1.1</td>
<td>0.0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.1</td>
</tr>
<tr>
<td>ABC On-Sale Licensees</td>
<td>20.1</td>
<td>80.1</td>
<td>0.0</td>
<td>4.6</td>
<td>41.0</td>
<td>145.8</td>
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<tr>
<td>Alcohol Servers</td>
<td>0</td>
<td>0</td>
<td>19.7</td>
<td>20.1</td>
<td>20.5</td>
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<td>Total</td>
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<table>
<thead>
<tr>
<th>Estimated Benefits in Billions</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
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</thead>
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<tr>
<td>Reduction in the cost of the overuse of Alcohol in California</td>
<td>0.00</td>
<td>0.00</td>
<td>0.7</td>
<td>0.7</td>
<td>1.8</td>
<td>3.2</td>
</tr>
</tbody>
</table>

21 The increase Training Provider per year costs of $5,000 disappears with rounding in years 2021-2024.
11. Regulatory Impact on California Jobs through Implementation of the RBSTPA

The implementation of the RBSTPA will create jobs for the RBS Training Providers as the market expands and money is put into the creation of RBS Courses, investment into infrastructure, and the hiring of more RBS Trainers. ABC On-Sale Licensees will also create some limited jobs through developing their monitoring and record keeping systems to ensure every alcohol server employed by them are certified.

Jobs Created

RBS Training Providers will receive $20 Million from providing the initial RBS Training Courses to the 1,000,000 existing alcohol servers, they will also need to spend $680,000 to update their curriculum and get it approved through ABC. In addition, ABC On-Sale Licensees will invest $11.22 Million in creating and maintaining systems to monitor and review their employees’ mandatory training requirements, and $64 Million in wages to its employees. ABC On-Sale Licensees will be responsible for paying for their employees’ RBS Certification Exams paying $5 Million to ABC. In total these investments will create an estimated 2,316 jobs.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Investment in Millions</th>
<th>RIMS II Job Multiplier</th>
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<td>ABC</td>
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</table>

Jobs Lost

ABC On-Sale Licensees anticipate the need to provide $89 Million dollars to pay for their current employees to be trained as mandated by the RBSTPA, or $89 for each alcohol server the ABC On-Sale Licensee employs. Through the stakeholder meetings discussed above, the ABC does not anticipate any reduction of jobs due to this regulation being implemented.

12. Changes to California through the Implementation of the RBSTPA

Creation or loss of California Businesses

ABC through its public outreach and economic analysis does not anticipate any creation or loss of businesses in California due to the implementation of the RBSTPA. Although there could be less than ten new RBS Training Providers that enter the market from out of state, it is anticipated that there will also be a consolidation of some existing training providers to pool knowledge and experience to both update and innovate within their existing RBS Training Programs.

\(^{26}\) RIMS II, Other educational services, 611B00, Employment  
\(^{27}\) RIMS II, Food Services and drinking places, 62, Employment  
\(^{28}\) RIMS II, Other government enterprises, 800A00, Employment
Competitive Advantages or Disadvantages to California Businesses
The implementation of the RBSTPA only affects California RBS Training Providers and California On-Sale Licensees. There are no anticipated out of state competition, advantage or disadvantage to either California business type.

Benefits for California Residents
It is anticipated that the proposed regulations will increase the health, safety, and welfare of all Californians through a reduction in the overuse of alcohol. This will also increase worker safety on California roadways and Californian quality of life. As discussed above the fiscal benefits will benefit all Californians through a lower in costs to the community spent due to the overuse of alcohol. It will also remove the harmful situations commonly experienced when citizens over use alcohol and create tragedies throughout the state.

Changes to Investment within California
It is anticipated that RBS Training Providers will invest $0.68 Million over the first year in an effort to better hone their course offerings and control a portion of the new RBS Training Market created by implementing the RBSTPA. In addition, ABC On-Sale Licensees anticipate investing $11.22 Million in creating and maintaining systems to monitor and review their employees’ mandatory training requirements over the first year to comply with the law, $25 Million in the cost of training their employees, and $64 Million in wages to its employees. This will effectively be a total investment of $100.9 Million dollars in the industry in 2020-2021.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Investment in Millions</th>
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<td>RBS Providers</td>
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<td>1.3696&lt;sup&gt;29&lt;/sup&gt;</td>
<td>0.9</td>
</tr>
<tr>
<td>ABC On-Sale Licensees</td>
<td>100.22</td>
<td>1.1609&lt;sup&gt;30&lt;/sup&gt;</td>
<td>116.3</td>
</tr>
</tbody>
</table>

Potential for Innovation in Products, Materials, and Processes
The implementation of the RBSTPA is incentivizing the creation of better Responsible Beverage Service Training Courses that will potentially lead to innovation in how those courses are delivered to alcohol servers both in person and online. ABC is implementing requirements that these courses include interactive elements to ensure that alcohol servers and engaged in the material, can demonstrate their knowledge of the course work, and develop understanding in how to apply it to their employment. This ensures that RBS Training Providers prepare alcohol servers for the RBS Certification Exam, and incentivizes innovation to provide quality training to alcohol servers and create a firm hold on a share of the market to provide RBS Training Courses in California.

<sup>29</sup> RIMS II, Other educational services, 611B00, Value Added
<sup>30</sup> RIMS II, Food Services and drinking places, 62, Value Added