



APR 1 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 3930-001-0106 and Reimbursements, Support,
Department of Pesticide Regulation**

**Reimbursement Authority: Structural Pest Control Board: Governor's Reorganization
Plan No. 2 of 2012**

It is requested that Item 3930-001-0106 be amended by increasing reimbursements by \$284,000. This action will provide budgetary reimbursement authority for an interagency agreement between the Department of Consumer Affairs, Structural Pest Control Board, (SPCB) and the Department of Pesticide Regulation (DPR).

Specifically, the interagency agreement will enable DPR to assist the SPCB by coordinating statutorily required training and investigation activities related to enforcement of structural pest control laws and regulations at the local level. This action is necessary to complete implementation of the Governor's Reorganization Plan No. 2 of 2012.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jesse McGuinn, Principal Program Budget Analyst, at (916) 324-0043.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Mr. Lu Saephanh, Acting Chief, Fiscal Services and Business Operations Branch, Department of
Pesticide Regulation
Ms. Anise Severns, Assistant Director, Administrative Services Division, Department of Pesticide
Regulation



APR 1 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Addition of Trailer Bill Language, Department of Toxic Substances Control

Hazardous Waste Fee Reform

It is requested that trailer bill language be added for the Department of Toxic Substances Control to simplify and streamline the existing hazardous waste fee schedule. The current fee structure consists of seven fees, is unnecessarily complex, and creates perverse incentives in which entities disposing of smaller quantities of waste pay a proportionately higher rate per ton. This proposal would (1) eliminate four fees, (2) replace a tiered fee structure with a flat rate per ton, and (3) remove caps on amounts charged on large disposers of hazardous waste. By requiring all generators to pay based on the amounts of waste disposed per ton, this revised fee structure will create incentives that discourage the generation of hazardous waste.

This proposal will affect the Board of Equalization's collection costs. A corresponding proposal will be forthcoming in May.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jesse McGuinn, Principal Program Budget Analyst, at (916) 324-0043.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: On following page

Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary, California Environmental Protection Agency
Ms. Debbie Raphael, Director, Department of Toxic Substances Control
Ms. Odette Madriago, Chief Deputy Director, Department of Toxic Substances Control



APR 1 2013

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Items 3970-001-0133 and 3970-101-0387, Support and Local Assistance, and the Addition of Item 3970-001-0276, Support, Department of Resources, Recycling and Recovery

Beverage Container Recycling Program Reform

It is requested that item 3970-001-0276 be added in the amount of \$984,000 and 8.0 positions, and that Item 3970-001-0133 be amended to reflect this change to reform the Beverage Container Recycling Program (Recycling Program).

The Recycling Program is facing a \$100 million structural deficit. A portion of the structural deficit is attributable to fraud. This proposal contains the first of a series of steps to address the structural deficit and recycling fraud. The proposal consists of trailer bill language to make the statutory changes necessary to implement the following reforms: (1) a more stringent certification process including extending times for application review, (2) a new, formal training and technical assistance program, (3) mandating the use of the Division of Recycling Integrated Information System by all program participants (4) restricting recycling centers to only redeeming "segregated" loads, i.e., beverage containers for which California Redemption Value (CRV) has been paid.

Household Hazardous Waste Grant Authority

It is requested that Item 3970-101-0387 be increased by \$81,000 to supplement the Household Hazardous Waste Grant Program.

In June 2012, a judgment was entered in the *People v Costco* requiring the retail chain to pay \$3.6 million to various counties and environmental entities for mishandling hazardous waste material. The Department of Resources, Recycling and Recovery (CalRecycle) is receiving \$81,000 as part of this judgment. The court order specifies the funds be used to achieve the goals of Chapter 476, Statutes of 2011 establishing a statewide policy goal that not less than 75 percent of solid waste generated be source-reduced, recycled or composted by 2020. Current law authorizes CalRecycle to award grants to local governments to prevent improper hazardous waste disposal.

APR 1 2013

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jesse McGuinn, Principal Program Budget Analyst, at 916-324-0043.

ANA J. MATOSANTOS
Director
By:

/s/ Michael Cohen

MICHAEL COHEN
Chief Deputy Director

Attachment

cc: Honorable Kevin de León, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Bill Emmerson, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Mike Gatto, Chair, Assembly Appropriations Committee
Attention: Mr. Geoff Long, Chief Consultant
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Jim Beall, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Ms. Deborah Gonzalez, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Eric Jarvis, Assistant Secretary for Fiscal and Administrative Programs, Office of the Secretary for Environmental Protection
Mr. Ken DaRosa, Chief Deputy Director, Department of Resources, Recycling and Recovery
Ms. Suzanne Blihovde, Budget Officer, Department of Resources, Recycling and Recovery