

## **Addendum to the Initial Statement of Reasons for Proposed Amendments to the Unified Program’s Regulations**

On March 24, 2023, the California Environmental Protection Agency (CalEPA) released a notice proposing to amend California Code of Regulations, (CCR), title 27, Division 1, Subdivision 4, Chapter 1, sections 15110 – 15330, and Appendices A – D. CalEPA staff has identified the need for additional modifications to the regulatory text and for additional explanation of some of the amendments that were initially proposed on March 24, 2023.

### **I. Purpose and Rationale for Each Proposed Amendment**

#### General Proposed Amendments

CalEPA is proposing to fix typographical errors in the proposed amendments related to spacing and capitalization, as staff identified some locations where underlines and strikeouts were under or over inclusive. Those typographical errors have been fixed to ensure the regulations are clear and consistent.

When subsections are proposed to be added or deleted, CalEPA is proposing to modify the numbering or lettering for subsequent subsections to ensure proper sequencing.

CalEPA is proposing to fix punctuation errors in the proposed amendments to ensure the regulations are clear.

CalEPA is proposing to change all references from “an UPA” to “a UPA” to correct grammatical errors and ensure consistency.

#### Specific Proposed Amendments

##### Article 1

Section 15100(b)(2)(D): CalEPA is proposing to change “element” to “elements.” This change is intended to ensure the language is grammatically correct.

Section 15100(b)(2)(D)(iv): CalEPA is proposing to change “CUPA” to “UPA” in several places within this subsection. This change is necessary to accurately reflect that the Hazardous Waste Generator (HWG) Program may be implemented by a Certified Unified Program Agency (CUPA) or a Participating Agency (PA).

## Article 2

Section 15110: CalEPA is proposing to make several changes to the definitions in this section.

- First, CalEPA is adding new definitions for “incidental finding” and “program deficiency.” These are terms of art that are used in the regulations but that were not previously defined, and including these definitions will make the regulations clearer.
- Second, for the definition of “Secretary,” CalEPA is proposing to delete “[a]s used in this Chapter” and “the Assistant Secretary for Local Program Coordination and Emergency Response.” These changes are being made to eliminate unnecessary language and to eliminate reference to a position that no longer exists within CalEPA.
- Third, CalEPA is proposing to delete the definition of Unified Program Consolidated Form. This definition is being deleted because the Unified Program Consolidated Form has not been used since the implementation of the California Environmental Reporting System (CERS) on January 1, 2013, and the definition has no continuing relevance.

## Article 3

Section 15150(e): CalEPA is proposing to delete a requirement that an application for certification be constructed in sections. The requirement is being deleted because construction in sections is unnecessary for review of applications and because simplifying the text in this section makes it clearer that Section 15150(e) describes the elements that an application for certification must include.

## Article 4

Section 15160(b): CalEPA had initially proposed adding the requirement that the Secretary consider comments from the Assistant Secretary for Local Program Coordination and Emergency Response. Upon further reflection, CalEPA is proposing to remove this requirement and add a requirement that the Secretary consider comments from CalEPA. These changes are necessary because Assistant Secretary for Local Program Coordination and Emergency Response is no longer a position within CalEPA. However, consideration of comments from CalEPA is important because CalEPA oversees implementation of the Hazardous Materials Business Plans (HMBP) Program and the California Accidental Release Prevention (CalARP) Program, and so the reference to the Assistant Secretary for Local Program Coordination and Emergency Response was replaced with a more general reference to CalEPA.

Section 15160(d)(1)(B)(i): CalEPA is proposing to replace “shall” with “may.” This change is necessary because an applicant is not required to submit an amended application with an appeal. Submission of an amended application is optional.

Section 15160(d)(2): CalEPA is proposing to delete this subsection. In its initial proposed revisions, CalEPA deleted language from this subsection that focused on withdrawing

certification. This change was necessary because procedures for withdrawal of certification are already adequately addressed in Sections 15320 and 15330. In its initial proposed revisions, CalEPA also proposed including new language focused on the process for reviewing an amended application for certification. Upon further reflection, CalEPA has decided the new language is unnecessary because the process for reviewing an amended application is adequately addressed with the proposed revisions to Section 15160(e). Overall, this subsection does not add new procedures to the regulation and its deletion will enhance clarity.

Section 15160(e): CalEPA is proposing to combine subsections (1) and (2) into one subsection that will address both a final decision to approve and disapprove the application for certification by proposing to:

- Add “or disapprove” to subsection (1).
- Add a period after “...shall be issued in writing to the applicant agency” and add “The final decision shall be issued” and the beginning of the newly created sentence in subsection (1) and add “of the appeal process” to that sentence.
- Delete “issuing the NOI” from subsection (1).
- Add “If the Secretary approves the application for certification,” to subsection (1).
- Delete subsection (2).

These changes simplify the regulation and change the timeline for issuance of a final decision to require that a final decision be issued within 30 days of completion of the appeal process. This change is necessary because the originally proposed language would have allowed the Secretary to issue a final decision before expiration of the time allowed for submission of an appeal.

### Article 5

Section 15180(d): CalEPA is proposing to modify capitalization in this subsection to ensure consistency. Additionally, CalEPA is proposing to move the reference to “Article 5” to the end of the sentence. This change is non-substantive and is intended to increase clarity by making it easier to understand that the referenced sections are part of Article 5.

Section 15180(e)(3)(A): CalEPA is proposing to delete “as applicable” from this subsection. The intent of this subsection is simply to ensure that other appropriate government entities with emergency response responsibilities may be given access to HMRRP information, and the “as applicable” is superfluous. Deleting it from the subsection increases clarity.

Section 15185(g)(1): CalEPA had initially proposed to add “from the date the enforcement action requirements have been resolved.” Upon further reflection, CalEPA is proposing to delete this initially proposed language as it created additional confusion.

Section 15187(b): CalEPA had initially proposed to add “or the designated local reporting portal approved by CalEPA” and delete the last sentence of the subsection. Upon further reflection, CalEPA has concluded that it is preferable to make no changes to the requirements related to

CERS and local reporting portals because the reporting requirements are already clear. CalEPA is no longer proposing to make any changes to this subsection.

Section 15188: CalEPA is proposing to add the word “regulated” before the words “business” or “businesses” throughout this Section. This change is necessary to ensure consistency and clarity because the term “regulated business” is defined in Section 15110.

Section 15188(c): CalEPA is proposing to delete the word “The” at the beginning of the subsection and change the word “business” to “businesses.” This change is necessary to ensure consistency with subsections (a), (b), and (d).

Section 15188(f): CalEPA initially proposed adding the word “UPA” to indicate that applicable local ordinances may mandate additional reporting requirements. CalEPA is now proposing to delete the word “UPA” because, upon further reflection, CalEPA has determined that this additional detail is unnecessary, the meaning of “UPA local ordinance” is unclear, and the intent is to include any local ordinance that requires submissions of additional documents.

Section 15200(a)(2)(A): CalEPA is proposing to change “Hazardous Waste Generate Program” to “Hazardous Waste Generator Program.” This change is necessary to fix a typo that caused the Unified Program element to be misnamed.

Section 15200(a)(6): CalEPA is proposing to change “include” to “includes.” This change is necessary to ensure the sentence is grammatically correct.

Section 15210(b)(1)(B): CalEPA is proposing to change “is” to “are.” This change is necessary to ensure the sentence is grammatically correct.

Section 15210(b)(1)(B)(i): In the initial rulemaking, CalEPA proposed changing “45 days” to “90 days.” CalEPA would like to further explain that it is proposing this change because it is necessary because many CUPAs have indicated that 45 days is not enough time to process and remit the fees.

Section 15210(b)(1)(D)(i): CalEPA is proposing to delete “included by category, if applicable” from the subsection. This change is being made because the extra requirement is unnecessary, and its removal simplifies the regulations.

Section 15210(b)(2): CalEPA is proposing to add “described in” before “Section 15220(a)(2) in two places within this subsection. This change is being made to improve clarity. Additionally, CalEPA is proposing to fix a typo within this subsection by changing “revies” to “review.”

Section 15210(b)(3): CalEPA is proposing to delete “[p]ublication of” from the start of this subsection. This change is necessary because the meaning of publication was unclear, and the

subsection achieves the intent of ensuring the fee schedule is made available to interested parties upon request without the language focused on publication.

Section 15210(b)(4): CalEPA is proposing to add “that” to the subsection. This change is necessary to ensure the sentence is clear and grammatically correct.

Section 15220(a)(1): CalEPA is proposing to delete “included by category, if applicable” throughout the subsection. This change is being made because the extra requirement is unnecessary, and its removal simplifies the regulations.

Section 15220(a)(1)(E)(i): In the initial rulemaking, CalEPA proposed adding a new subsection that states “[i]f the CUPA has a PA, the CUPA shall also specify the number of regulated businesses in each program element regulated by the PA.” CalEPA would like to further explain that this addition is necessary to clarify that the CUPA is responsible for accounting for the number of regulated businesses in program elements implemented by a PA.

Section 15220(a)(1)(H): In the initial rulemaking, CalEPA proposed adding “but not limited to” to Section 15220(a)(1)(H) and to create new subsections, including (i) frequency of inspection; (ii) oversight of electronic reporting; (iii) verification of return to compliance; and (iv) applied appropriate enforcement. CalEPA would like to further explain that the proposed subsections (ii)-(iv) include new language, while (i) is simply moved into a subsection. “[B]ut not limited to” was added to this section to make clear that the Unified Program Agency (UPA) may account for costs associated with services other than those described in subsections (i)-(iv). Subsections (ii)-(iv) were added because these services are part of the operating costs for Unified Program implementation and should be included in the UPA’s accounting.

Section 15220(a)(1)(I): In the initial rulemaking, CalEPA proposed adding a new subsection, which stated “[n]on-recurring activities such as, but not limited to, the fee for an initial permit or special inspection.” CalEPA would like to further explain that this addition is necessary to ensure UPA operating costs for Unified Program implementation are accurately reflected in the accounting.

Section 15220(a)(1)(J): In the initial rulemaking, CalEPA proposed adding a new subsection, which stated “[o]ther funding sources that assist in covering the costs of implementation of the Unified Program.” CalEPA would like to further explain that this addition is necessary because a meaningful accounting requires consideration of expenses as well as available funding sources.

Section 15241(a): CalEPA is proposing to move the acronym “HSC” before the word “Section” and delete the term “subdivision.” These changes are necessary to provide consistency as citations to other statutory provisions in this regulation are written in this format.

Section 15250(b): CalEPA had initially proposed to move this subsection, which focuses on remittance of collected state surcharge revenues, to Section 15290. Upon further reflection,

CalEPA has concluded that it is preferable to leave the requirements related to remittance of surcharge revenues in Section 15250, which focuses on CUPA surcharge responsibilities. The intent is for Section 15250 to focus exclusively on surcharge responsibilities, and for Section 15290 to focus exclusively on CUPA reporting requirements.

In addition to returning the language regarding remittance of state surcharge revenues to Section 15250(b), CalEPA is proposing to delete “as specified in Section 15290 of this chapter.” This change is necessary because the quoted language is no longer relevant in light of the decision to retain the requirements regarding remittance of state surcharge revenues in Section 15250. CalEPA is also proposing to change “should” to “shall” in Section 15250(b)(1). This change is necessary because making the surcharge payable to the Secretary for Environmental Protection is mandatory. CalEPA is also proposing to delete what had been Section 15250(b)(2)(ii). This change is being made because the subsection focuses on reporting to CalEPA, and the language is being moved to Section 15290.

Section 15260(a)(3): CalEPA is proposing to add “for a maximum of” to this subsection. This addition is intended to clarify that qualifying experience may be substituted for a maximum of 15 semester units or 23 quarter units of education.

Section 15260(b): CalEPA is proposing to change “staff or supervisors implementing the requirement of” to “staff or supervisors who conduct and/or oversee inspections and enforcement activities.” This change is intended to provide more detail so that it is clear which staff or supervisors may be exempt from the minimum education requirements. Additionally, CalEPA is proposing to change “January 1, 2023” to “July 1, 2024.” This change is intended to ensure the minimum education requirements apply to UPA staff or supervisors beginning on a date certain that postdates the effective date of this rulemaking.

Section 15260(c): CalEPA is proposing to delete “based on Unified Program implementation.” This change is intended to ensure that all UPA staff receive training on all of the subject areas described in Section 15260(c) regardless of the Unified Program element or elements they implement. UPA staff need to be trained on all subject areas in order to ensure staff can conduct inspections outside of their area of responsibility in an emergency, and to allow for a smoother transition when the staff moves to other programs.

Section 15260: In the Initial Statement of Reasons (ISOR), CalEPA described how it is proposing to move the content of Section 15260(d)(1)(A) to other parts of Section 15260. CalEPA would like to further explain that it is also proposing to remove the requirement in subsection (d)(1)(A). The educational requirements contained in subsection (d)(1)(A) are already addressed in subsection (a), including requirements regarding a college degree in a natural sciences discipline and substitution of experience to meet the education requirement. However, the provisions for substituting experience for education were in conflict—Subsection (d)(1)(A) allowed for a greater number of years of experience that could be substituted for education. CalEPA determined that the provisions in subsection (a), in regard to substituting experience

with education, are more appropriate than those provided in subsection (d)(1)(A). This approach also provides additional flexibility because CalEPA recognizes that disciplines such as industrial hygiene and hazardous materials management—while not natural sciences—are important and relevant for Unified Program implementation.

Section 15260(g): CalEPA is proposing to replace “when performing Unified Program operations” with “when conducting inspections.” This change is intended to clarify which contractors must meet the education and training requirements described in Section 15260. More generally, this subsection is being added because some UPAs use contractors to implement aspects of the Unified Program and it is important for any contractors that conduct inspections to have adequate education and training.

### Article 6

Section 15280(e): CalEPA had initially proposed adding “...the CUPA shall forward the self-audit report to the person or agency making the request upon 60 days’ notice.” Upon further reflection, CalEPA is proposing to change the phrase to “...the CUPA shall provide the self-audit report within 60 days.” This change is intended to simplify the language to provide clarity and avoid redundancy of words and more clearly define the timeline within which a requested self-audit report must be provided.

Section 15290(a): CalEPA had initially proposed to move requirements related to remittance of collected state surcharge revenues from Section 15250(b) to this subsection. Upon further reflection, CalEPA has concluded that it is preferable to leave the requirements related to remittance of surcharge revenues in Section 15250, which focuses on CUPA surcharge responsibilities. The intent is for Section 15250 to focus exclusively on surcharge responsibilities, and for Section 15290 to focus exclusively on CUPA reporting requirements. Accordingly, the proposed language related to remittance of surcharge revenues has been deleted from Section 15290(a) and the subsection has been modified so that it is exclusively focused on submission of the Surcharge Transmittal Report.

Section 15290(b)(1)(D)(i): CalEPA is proposing to change “[b]usinesses” to “[r]egulated businesses.” “Regulated business” is defined in Section 15110 and this change is intended to clarify that the subsection is focused on regulated businesses as defined in Section 15110.

Section 15290(c)(1): CalEPA is proposing to add “Secretary” and delete “until such time when a FES report can be directly reported in CERS.” “Secretary” is being added to clarify the recipient of the Formal Enforcement Summary (FES) report. The additional language regarding reporting into CERS is being deleted because CalEPA has determined that it is preferable to wait until a FES report can be directly reported in CERS before referencing that capability in the regulations.

## Article 7

Section 15300(a)(2): CalEPA initially proposed adding “removal” to this subsection. Upon further consideration, CalEPA had determined that “removal” is addressed elsewhere in the regulations and that additional consideration is needed before determining whether it should be included in Section 15300. Accordingly, CalEPA is proposing to delete “or removal” from this subsection and put the word “or” back into the subsection.

Section 15300(b)(1): CalEPA initially proposed replacing “Authority” with “Agency.” Upon further consideration, CalEPA has determined that “Authority” is the correct word to use in this context. Accordingly, CalEPA is no longer proposing to modify the text in this subsection and the text will continue to refer to “a Joint Powers Authority (JPA).”

Section 15300(e)(1): CalEPA initially proposed adding new language to this subsection to provide additional detail regarding the public hearing. Upon further reflection, CalEPA has determined that this additional detail is unnecessary. CalEPA is now proposing to delete the new language. The text of Section 15300(e)(1) will remain as it was prior to the initiation of this rulemaking process.

Section 15300(f): CalEPA is proposing to delete “circumstances require an extension of this deadline” and replace it with “that an extension of this deadline is warranted in light of the complexity of the issues presented or the volume of information submitted.” CalEPA is proposing this change to clarify when the Secretary can exercise their discretion to extend the 60-day deadline for approving or disapproving the CUPA’s proposal. The ISOR discussed the concept of changing the 60-day timeline to 180 days, but CalEPA is not pursuing that change because it does not believe the extension of time is necessary or warranted in all circumstances.

Section 15320(c): CalEPA is proposing to add “that is certified as a.” This addition is intended to make the regulations clearer because the previous language referred to a “city CUPA,” which is not a defined term.

Section 15320(d): CalEPA is proposing to add “that is certified as a.” This addition is intended to make the regulations clearer because the previous language referred to a “JPA CUPA,” which is not a defined term.

## Article 8

Section 15330(a): CalEPA is proposing to delete “periodically” and replace it with “at least once every four years.” This change is being made to enhance clarity and ensure CUPAs have a clear understanding of the timeline for evaluations. The regulations currently specify that the Secretary will evaluate a CUPA’s performance and implementation of the Unified Program at least once every three years. CalEPA is proposing to change the timeline from three years to four years to ensure the time between reviews is sufficient to allow CalEPA staff to conduct



meaningful evaluations. CalEPA may conduct limited assessments of CUPAs' performance between formal evaluations to ensure major performance concerns are timely identified and remedied.

Section 15330(b)(5): CalEPA is proposing to add the word "program" before the word "deficiencies." This change is necessary as the term "program deficiencies" is a defined term in Section 15110.

Section 15330(d): CalEPA had initially proposed to add this new subsection about Program Improvement Agreements for CUPAs that cease to meet minimum qualifications or fail to implement program element(s) in the Unified Program application. CalEPA is now proposing to delete the new subsection. Upon further reflection, CalEPA has concluded that the initially proposed change is not necessary as Program Improvement Agreements are already addressed in Section 15320.

#### Appendices A, B, and D

CalEPA had initially proposed repealing Appendices A and B and adopting new Appendices A and B. In addition, CalEPA proposed making changes to the Trade Secret Form contained in Appendix C and moving it to a new Appendix D. Upon further consideration, CalEPA has determined that additional consideration is needed before determining what changes are needed to Appendices A and B and the Trade Secret Form. Therefore, CalEPA is no longer proposing to make any changes to Appendices A and B and the Trade Secret Form at this time. The Trade Secret Form will remain in Appendix C.

#### Appendix C

CalEPA had initially proposed repealing Appendix C and adopting a new Appendix C. The new Appendix C had two files that were labeled "Appendix C1," and "Appendix C2." It was not CalEPA's intention to create two new appendices but instead one new appendix that includes the information contained in the files labeled "Appendix C1" and "Appendix C2." CalEPA is proposing to make additional modifications to Appendix C.

CalEPA would like to further explain the changes to Appendix C as follows:

- In Appendix C1, CalEPA proposes to:
  - Add lines to the form to provide additional clarity.
  - Bold some headings to provide emphasis.
  - Change "Fiscal Year and Quarter for Collection of Surcharge:" back to the existing text in the appendix: "Fiscal Quarter of Accrued Surcharges:" as the initially proposed change may cause unnecessary confusion.
  - Change "CUPA OVERSIGHT" to

**"OVERSIGHT SURCHARGE (\$94 TOTAL)"**

Split Oversight to reflect the CERS  
NextGen Amount Separately

CUPA OVERSIGHT \$67

CERS NEXTGEN \$27”

CalEPA is proposing to make these changes to provide more details about the amount of the CUPA oversight costs and to update the amount of the surcharge from what CalEPA initially proposed (i.e., \$84) to accurately reflect the current surcharge amounts (i.e., \$94).

- Add two new columns entitled “Total # of Businesses Remitting” and “Amount “Remitting” to provide additional information that will allow CalEPA to determine whether or not the CUPA is adequately implementing a fee accountability program.
  - Change “TOTAL” to “TOTAL REMITTED” to provide additional clarity.
  - Change “The Surcharge Transmittal Report and remittance can be submitted to CalEPA” to “Submit the Surcharge Transmittal Report and remittance check to CalEPA” to provide additional clarity.
- In Appendix C2, CalEPA proposes to:
    - Add “Unified Program” and page numbers to the header to provide additional clarity.
    - Change “CUPA:” to “CUPA Name:” to provide additional clarity.
    - Change “Date Submitted” to “Date Created:” to provide additional clarity.
    - Change the format of the report (e.g., add and remove lines) to provide additional clarity.
    - Add number signs (i.e., \$).
    - Bold headers to provide emphasis.
    - Fix grammatical error and delete unnecessary punctuation.
    - Change “CUPA Oversight” to “CUPA Oversight (minus CERS Nextgen) to provide additional clarity.
    - Add row entitled “CERS Nextgen” to provide additional clarity.
    - Delete the row entitled “Refinery Safety” and add the word “Refinery Safety” below the rows entitled “Tier 1,” “Tier 2,” “Tier 3,” and “Tier 4” to provide additional clarity.
    - Delete zeros for the row entitled “**SURCHARGE TOTALS**” to provide clarity.
    - Add the following column header “**FEE SOURCE TYPE**” to provide additional clarity.
    - Add row entitled “Businesses Assessed CERS NextGen portion of CUPA Oversight Surcharge” to provide clarity.

- Add row entitled “Non-RCRA Large Quantity Hazardous Waste Generators (**Non-RCRA LQGS**)” to clarify that this fee source is separate and different than the RCRA LQGs.

As noted above, the Trade Secret Form will remain in Appendix C.

## **II. Environmental Analysis**

Based on CalEPA’s review, CalEPA has determined that implementing the proposed rulemaking would not result in any physical changes to the environment, or any potentially significant adverse impacts on the environment. The proposed rulemaking proposes to clarify reporting requirements, impose new procedural requirements and details, as well as improve the organizational structure of existing requirements and clarify existing elements of reports and forms.

CalEPA has reviewed the proposed rulemaking and concludes that it would not result in any significant or potentially significant adverse impacts on the environment because compliance with the proposed amendments would not result in any physical change to the existing environment. The amendments consist of administrative and procedural changes that affect only program administration, and do not involve or result in any new development, modifications to buildings, or new land use designations. Further, compliance with the proposed rulemaking would not involve or affect aesthetics, air quality, agricultural and forestry resources, biological resources, cultural resources, geology and soils, greenhouse gases, hazardous material, hydrology and water quality, land use planning, mineral resources, noise, population and housing, public services, recreation, or traffic and transportation because they would not require any action that could affect these resources. No discussion of alternatives or mitigation measures is necessary because no significant adverse environmental impacts were identified.

The proposed changes are thus not anticipated to result in any environmental impacts, such as new building, traffic changes, natural resource impacts, etc. The proposed changes may offer environmental benefits, such as enhanced compliance with existing substantive Unified Program requirements.

## **III. Economic Impacts Assessment**

Government Code sections 11346.2(b)(2) and 11346.3(b) require the preparation of an economic impact assessment (EIA) for a non-major regulation. CalEPA has determined that the proposed rulemaking will not have an economic impact on California businesses and individuals in an amount exceeding \$50,000,000. Therefore, the proposed changes to the regulations are not a “major regulation” as defined in Government Code section 11342.548.

The regulations will require CUPAs to make changes to their Unified Program implementation processes that will result in additional expenses for the CUPAs. Specifically, the CUPAs will be required to develop and implement procedures for the Unified Program Facility Permit, develop

and implement procedures for the single fee system and fee accountability program, revise and update Inspection and Enforcement Plans to include inspection protocols and progressive enforcement, and incorporate refresher training into Training Program.

To inform the EIA for this proposed rulemaking, CalEPA sent out an optional economic impact survey to a targeted number of CUPAs using a random number generator. Eight CUPAs representing approximately 10% of all CUPAs provided responses. The conclusions in this section are based on the responses to the survey that CalEPA received, previous UPA information, and data about the number of regulated businesses available in CERS – a statewide web-based management system that supports the electronic exchange of required Unified Program information.

In the Initial Statement of Reasons, CalEPA stated that the results of the survey indicated that the rulemaking would result in each CUPA spending approximately 189 hours and \$12,096 to implement the changes. Upon further review and after accounting for non-responses, the results of the survey indicate that on average, each CUPA would spend approximately 237 hours and \$22,662 to implement the changes as a result of the rulemaking. (It should be noted that the Initial Statement of Reasons indicated these calculations assume all CUPAs will charge the same hourly rate for services.) There are 81 CUPAs in the state so the total cost to the CUPAs related to the implementation of the rulemaking is \$1,835,622. (Multiply \$22,662 x 81 CUPAs equals \$1,835,622.) CUPAs will likely either absorb these costs or pass them onto regulated businesses.

There are approximately 150,000 businesses regulated under the Unified Program. With the additional necessary and reasonable costs to implement the modified Unified Program requirements, this will result in an average increase of an additional \$12.24 per year to be paid by regulated business ( $\$1,835,622 \div 150,000$ ) if the CUPAs decide to pass the costs onto regulated businesses. Regulated businesses include small businesses as that term is defined in Government Code section 11346.3(b)(4)(B).

Specific economic impacts CalEPA is required to consider are discussed below.

#### **A. The creation or elimination of jobs within the State of California**

As mentioned above, there are 81 CUPAs in the state. There is no reason to believe that this regulation will increase or reduce the number of CUPAs implementing the Unified Program in California.

There are approximately 800 local government staff implementing the Unified Program throughout California. This number has been relatively stable for several years. It seems unlikely that UPAs would expand their staffing resources due to these regulations. There is no indication that this rulemaking will result in hiring more CUPA staff or letting any go. It is unlikely that these regulations will create new jobs nor is it likely that they will eliminate existing jobs. CalEPA does not anticipate that the number will change because of the proposed rulemaking. There is no indication that this regulation will result in the creation of new jobs nor is it likely that they will eliminate existing jobs.

**B. The creation of new businesses or the elimination of existing businesses within the State of California**

The proposed regulations do not establish or augment any requirements for businesses regulated under the Unified Program. The minimal anticipated annual cost increase to regulated businesses will not cause the creation or elimination of businesses in California. There is no reason to believe that this regulation will increase or reduce the number of regulated businesses doing business in California.

**C. The expansion of businesses currently doing business within the State of California**

The proposed regulations do not establish or augment any requirements for businesses regulated under the Unified Program. Therefore, it is unlikely that regulated businesses would be encouraged to expand their business in California. CalEPA believes that this regulation will not affect the expansion of businesses currently doing business in California.

**D. Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete**

CalEPA has no evidence that its proposed rulemaking will have a significant statewide adverse economic impact directly affecting businesses, including their ability to compete. Although there may be small impacts to businesses as discussed above if CUPAs decide to pass the costs onto regulated business, the economic impacts are not anticipated to have a significant adverse economic impact. To make this determination, CalEPA relied on the results of the survey of a targeted number of CUPAs as further discussed above.

**E. Benefits of the Proposed Changes to the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State's Environment**

It is anticipated that the health and welfare of California residents, worker safety, and the environment would benefit from these regulations. CUPAs implementation of the Unified Program ensure hazardous materials are stored, handled, and processed in a safe manner. These regulations contain the minimum requirements for a CUPA to provide adequate and efficient oversight of regulated businesses throughout the state. The regulations require UPAs to develop Inspection and Enforcement programs to ensure compliance, guide and direct inspectors and other technical staff, and to use appropriate enforcement actions for noncompliance. The Single Fee System and Fee Accountability Program ensures businesses are assessed the necessary and reasonable costs for the CUPA and the State to implement the Unified Program.

The regulations also provide requirements for the Secretary to evaluate CUPAs to determine whether they are meeting the minimum standards and provides options when a CUPA is not meeting those requirements.

These regulations ensure the safety of California residents and the environment. Additionally, they ensure employees of these businesses, and UPA inspectors and supervisory staff, have the tools necessary to operate in a safe and efficient manner.

#### **IV. Documents and Studies Relied Upon**

The ISOR indicates that specific sections of the California Education Code and other materials were relied upon for the proposed revisions to Section 15260. This statement in the ISOR is incorrect. While CalEPA's approach to Section 15260 was generally informed by these materials, they were not relied upon. CalEPA would like to correct its misstatement in the ISOR and make clear that Education Code Sections 66010, 66014.8, 94301, 94813, 94814 and California Department of Consumer Affairs: Bureau for Private Postsecondary Education were not relied upon.