

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**[SAM Section 6601-6616](#)

STD. 399 (REV. 12/2013)

**ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME <b>Dept Resources Recycling and Recovery</b>	CONTACT PERSON <b>Sarah Keck</b>	EMAIL ADDRESS <b>sarah.keck@calrecycle.ca.gov</b>	TELEPHONE NUMBER <b>(916) 341-6177</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Administrative Certification for Reusable Grocery Bags</b>			NOTICE FILE NUMBER <b>Z</b>

**A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts business and/or employees | <input type="checkbox"/> e. Imposes reporting requirements              |
| <input checked="" type="checkbox"/> b. Impacts small businesses          | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input type="checkbox"/> c. Impacts jobs or occupations                  | <input type="checkbox"/> g. Impacts individuals                         |
| <input type="checkbox"/> d. Impacts California competitiveness           | <input type="checkbox"/> h. None of the above (Explain below):          |

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.  
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*

**CalRecycle**2. The \_\_\_\_\_ estimates that the economic impact of this regulation (which includes the fiscal impact)  
is: (Agency/Department)

- Below \$10 million  
 Between \$10 and \$25 million  
 Between \$25 and \$50 million  
 Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a [Standardized Regulatory Impact Assessment](#) as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: 50-60Describe the types of businesses (Include nonprofits): reusable grocery bag producersEnter the number or percentage of total  
businesses impacted that are small businesses: 88%4. Enter the number of businesses that will be created: 0 eliminated: 0Explain: Costs would not likely result in either the creation or elimination of any businesses (see attached).5. Indicate the geographic extent of impacts:  Statewide  
 Local or regional (List areas): \_\_\_\_\_6. Enter the number of jobs created: 0 and eliminated: 0Describe the types of jobs or occupations impacted: These costs would not likely result in either the creation or  
elimination of any jobs within the State (see attached).7. Will the regulation affect the ability of California businesses to compete with  
other states by making it more costly to produce goods or services here?  YES  NOIf YES, explain briefly: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ECONOMIC AND FISCAL IMPACT STATEMENT  
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**ECONOMIC IMPACT STATEMENT (CONTINUED)****B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 1,724,000
- a. Initial costs for a small business: \$ 12,000-28,000 Annual ongoing costs: \$ 3,000-5,000 Years: 2017-22
- b. Initial costs for a typical business: \$ 28,000-35,000 Annual ongoing costs: \$ 5,000-5,500 Years: 2017-22
- c. Initial costs for an individual: \$ \_\_\_\_\_ Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_
- d. Describe other economic costs that may occur: N/A

2. If multiple industries are impacted, enter the share of total costs for each industry: N/A

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* \$N/A

4. Will this regulation directly impact housing costs?  YES  NO

If YES, enter the annual dollar cost per housing unit: \$ \_\_\_\_\_

Number of units: \_\_\_\_\_

5. Are there comparable Federal regulations?  YES  NO

Explain the need for State regulation given the existence or absence of Federal regulations: There are no comparable federal regulations.

Regulation is needed to establish the administrative certification fee schedule and clarify administrative procedures.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ \_\_\_\_\_

**C. ESTIMATED BENEFITS** *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: This regulation is needed to establish the administrative certification fee schedule and clarify administrative procedures (see attachment).

2. Are the benefits the result of:  specific statutory requirements, or  goals developed by the agency based on broad statutory authority?

Explain: PRC 42280-42288 prohibits distribution of single-use carryout bags to protect the environment.

3. What are the total statewide benefits from this regulation over its lifetime? \$ 0

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: None

**D. ALTERNATIVES TO THE REGULATION** *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: Alt 1: CalRecycle's total costs would be equally divided by the total number of reusable grocery bag producers (see attachment).  
Alt 2: CalRecycle would conduct a limited rulemaking (see attachment).

**ECONOMIC AND FISCAL IMPACT STATEMENT  
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**ECONOMIC IMPACT STATEMENT (CONTINUED)**

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation:	Benefit: \$ <u>0</u>	Cost: \$ <u>1,724,000</u>
Alternative 1:	Benefit: \$ <u>0</u>	Cost: \$ <u>1,724,000</u>
Alternative 2:	Benefit: \$ <u>0</u>	Cost: \$ <u>1,724,000</u>

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:

CalRecycle's costs are fixed. Alternative 2: CalRecycle has already begun implementation of rulemaking and has hired staff in order to fulfill its statutory obligations.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?

 YES  NO

Explain: The proposed regulation does not mandate the use of specific technologies or equipment, or prescribe specific actions or procedures. Performance standards for reusable grocery bags are specified in statute.

**E. MAJOR REGULATIONS** *Include calculations and assumptions in the rulemaking record.*

*California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million?  YES  NO

*If YES, complete E2. and E3  
If NO, skip to E4*

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_

Alternative 2: \_\_\_\_\_

*(Attach additional pages for other alternatives)*

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 1: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

Alternative 2: Total Cost \$ \_\_\_\_\_ Cost-effectiveness ratio: \$ \_\_\_\_\_

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

 YES  NO

*If YES, agencies are required to submit a [Standardized Regulatory Impact Assessment \(SRIA\)](#) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: No change expectedThe incentive for innovation in products, materials or processes: No change expected

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: This regulation clarifies administrative procedures and establishes the certification fee schedule per the requirements of statute (see attached).

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

**FISCAL IMPACT STATEMENT**

**A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

a. Funding provided in \_\_\_\_\_  
Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

b. Funding will be requested in the Governor's Budget Act of \_\_\_\_\_  
Fiscal Year: \_\_\_\_\_

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

*Check reason(s) this regulation is not reimbursable and provide the appropriate information:*

a. Implements the Federal mandate contained in \_\_\_\_\_

b. Implements the court mandate set forth by the \_\_\_\_\_ Court.

Case of: \_\_\_\_\_ vs. \_\_\_\_\_

c. Implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_

Date of Election: \_\_\_\_\_

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: \_\_\_\_\_  
\_\_\_\_\_

e. Will be fully financed from the fees, revenue, etc. from: \_\_\_\_\_

Authorized by Section: \_\_\_\_\_ of the \_\_\_\_\_ Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

3. Annual Savings. (approximate)

\$ \_\_\_\_\_

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain \_\_\_\_\_  
\_\_\_\_\_

**ECONOMIC AND FISCAL IMPACT STATEMENT**

**(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

**FISCAL IMPACT STATEMENT (CONTINUED)**

**B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ 292,000

*It is anticipated that State agencies will:*

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the \_\_\_\_\_ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain See attachment.

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain \_\_\_\_\_

FISCAL OFFICER SIGNATURE

DATE

*The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*

AGENCY SECRETARY

DATE

*Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.*

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

DATE

# ATTACHMENT 1 – ECONOMIC AND FISCAL IMPACT STATEMENT

## *Administrative Certification for Reusable Grocery Bags*

The following information supplements statements in the Economic and Fiscal Impact form (Std. 399) for the rulemaking proposal titled “ADMINISTRATIVE CERTIFICATION FOR REUSABLE GROCERY BAGS.” The section headings and numbers shown below correspond to sections in the Std. 399 form that require additional information.

### **ECONOMIC IMPACT STATEMENT**

#### **A. ESTIMATED PRIVATE SECTOR COST IMPACTS**

##### **3. Enter the number or percentage of total businesses impacted that are small businesses:**

The estimated number of impacted businesses is based on the fluctuating number of reusable grocery bag producers that submitted proofs of certification to CalRecycle’s Reusable Grocery Bag Reporting System between November 2016 and March 2019. Based on data from the North American Industry Classification System (NAICS) 326111 from 2015, CalRecycle estimates approximately 88% of plastic bag manufacturers are small businesses (less than 100 employees).

##### **4. Number of businesses created or eliminated:**

The proposed regulations are designed to clarify administrative processes and procedures and establish the administrative certification fee to cover the Department’s costs, per statute.

The reusable grocery bag market is well-established in California, in large part due to cities and counties passing local ordinances to ban single-use carryout bags over the past decade. CalRecycle is not aware of a decline in the number of reusable grocery bag producers located in the state; in fact, most companies have transitioned to producing both single-use and reusable grocery bags. In addition, reusable grocery bag producers may sell bags into markets that fall outside of the definition of “store” under SB 270.

The costs required to certify reusable grocery bags would not likely result in either the creation or elimination of any businesses within the State of California.

##### **6. Creation or elimination of jobs:**

The proposed regulations are designed to clarify administrative processes and procedures and establish the administrative certification fee to cover the Department’s costs, per statute.

See Number 4 above.

## **B. ESTIMATED COSTS**

### **1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime?**

In order to comply with statute, reusable grocery bag producers will be required to pay for proofs of certification (conducted by third-party certification entities) and will incur administrative costs for submitting and resubmitting proofs of certification documents to the Reusable Grocery Bag Reporting System (RGBRS). Laboratories and reusable grocery bag producers informed CalRecycle that the total costs for verifying performance, toxicity testing, and confirming labeling requirements can range from \$2,000 - \$5,000 per type of bag. In addition, reusable grocery bags made with plastic film require validation of postconsumer recycled material purchases and quantities. Costs vary to perform this verification, depending on the number of bags produced, amounts of postconsumer recycled materials purchased, number of suppliers, and types of bags that require certification. Costs for time and personnel to upload documents into the RGBRS will also depend on the number of types of bags imported, sold, manufactured, or distributed by reusable grocery bag producers. On average, staff estimate it requires between 2 and 3 hours for a company to upload all of its proofs of certification.

The cost of the regulation was estimated over a five-year period from 2017 – 2022, which includes the Department’s startup costs and funding for two permanent positions and one limited-term position. Statute requires that the Department’s costs (delineated by fiscal year in the table on page 4 of this document) be covered via the administrative certification fee, which is to be charged on a biennial basis.

The initial certification fee will need to cover a cost of \$1,133,000 for fiscal years 2016 – 2021. Annual ongoing costs, beginning July 2021, are estimated at \$197,000 per fiscal year.

In response to concerns raised by small businesses during the 45-day comment period, CalRecycle developed a tiered fee schedule to replace its initial proposal that would have divided the Department’s costs equally among all of the reusable grocery bag producers. Under that scenario, each producer would have paid the same certification fee amount, regardless of size, which would have totaled about \$20,000 for the first biennial fee and \$8,000 for ongoing biennial periods.

Under the new fee structure, the Department estimates that the initial cost for small and typical businesses will range from \$12,000 to \$35,000, depending on the type of reusable grocery bag produced (e.g. fabric or plastic film). Large producers selling more than 200 million plastic film reusable grocery bags or purchasing more than 3.5 million pounds of postconsumer recycled content would pay \$41,000 initially, and \$13,000 in future biennial periods. Fabric bag producers will pay an initial biennial certification fee of \$12,000, and \$6,000 for future biennial periods.

To develop the fee schedule, CalRecycle estimated its core operational costs and established a corresponding biennial Base Fee in the amount of \$6,000 (\$3,000 per year)

to be charged per reusable grocery bag producer. The Department additionally developed a Tiered Quantity Fee (TQF) for reusable grocery bag producers that make bags out of plastic film, since these types of bags contain a higher number of certification requirements and comprise the largest universe of types of bags in CalRecycle's database. Thus, in addition to the Base Fee, these producers will pay a TQF to account for staff resources required to review and manage these certifications.

The TQF will range from \$16,000 to \$29,000 in the first biennial period and from \$4,000 to \$7,000 in future biennial periods. Refer to Tables 1, 2 and 3 in section 17988.5 of the draft regulatory text for more detail.

### **C. ESTIMATED BENEFITS**

#### **1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents worker safety and the State's environment:**

The statute that necessitated this regulation instituted a ban on the sale of single-use carryout bags. Instead, reusable grocery bags that meet the requirements of sections 42281 and 42281.5 of the Public Resources Code may be distributed for a fee of no less than 10 cents. Statute requires that proof of certification for reusable grocery bags be submitted to the Department and that it post a list on its website with names of the certified reusable grocery bag producers.

This regulation specifically clarifies administrative procedures and establishes the administrative certification fee schedule pursuant to the requirements of statute, which will fund maintenance and ongoing operation of the Reusable Grocery Bag Reporting System. The benefits of this regulation are that it will ensure that reusable grocery bags sold and distributed in California meet the chemical and physical requirements specified by the law. Included in these requirements are toxicity testing and performance standards that ensure reusable grocery bags are safer for the environment and human health. There are also postconsumer recycled content requirements which will minimize the environmental impacts associated with the extraction and processing of virgin materials to manufacture reusable grocery bags. Additionally, the SB 270 statute and this regulation will reduce the number of single use bags distributed in California. Single use plastic bags adversely impact operations at recycling facilities and are an item commonly found during litter cleanup events. Littered single use plastic bags adversely impact wildlife and water quality.

Californians Against Waste used data from the Natural Resources Defense Council to estimate that prior to statewide single-use plastic bag ban enacted by SB 270 California cities spent about \$11 per resident to keep litter from ending up in oceans as marine pollution. Based on data from San Jose and Los Angeles County between 8% to 25% of that cost was attributable to plastic bags. This regulation will result in a reduction in plastic



that is littered in the environment and an associated reduction in the costs incurred by local governments to keep litter from ending up in oceans.

### **3. What are the total statewide benefits from this regulation over its lifetime?**

The benefits of the ban imposed by statute include: a reduction of litter and marine debris, fewer plastic bags in the waste stream, and minimized disruption to recycling facilities that must contend with jammed machinery and slower operations caused by single-use plastic bags. In addition, statute requires reusable grocery bags made of plastic film to contain 20% postconsumer recycled material, and will increase this amount to 40% postconsumer material beginning January 1, 2020. This recycled content mandate supports the Department's existing and long term goals to prevent plastic waste, develop markets for reuse of postconsumer plastic products, and promote reuse. Displacing virgin materials with recycled content feedstock reduces the need to extract or mine resources and has corresponding air and water quality benefits including reducing greenhouse gas emissions. Statute also requires that reusable grocery bags do not contain lead, cadmium, or any other toxic material that may pose a threat to public health, thus protecting the health and safety of Californians.

The benefits of this regulation include the clarification of administrative procedures and establishment of the administrative certification fee, which will ensure efficient program operations for the regulated community and public access to an updated list of certified reusable grocery bags on the Department's website. Thus, the monetary benefits of this regulation cannot be projected and quantified.

## **D. ALTERNATIVES TO THE REGULATION**

### **1. List alternatives considered and describe them below. If no alternatives were considered, explain why not:**

Alternatives to the proposed regulation have been considered.

The Department considered alternatives to the proposed regulation and determined that: 1) no alternative would be more effective in carrying out the purpose for which the action is proposed; 2) no other alternative would be as effective and less burdensome to private persons, while at the same time protecting public health, safety, and the environment; and 3) no other alternative would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

**Alternative 1:** The Department would divide its startup costs equally among the total number of reusable grocery bag producers regardless of the staff time required to review a certification for completeness. Under this scenario, each producer would have paid an administrative certification fee amount of about \$20,000 for the first biennial period and \$8,000 in future biennial periods. Due to extensive stakeholder feedback and in recognition of the differential in staff time required to review certifications for completeness, CalRecycle developed a tiered fee structure that divided costs more equitably among bag producers based on associated staff workload to manage proofs of certification.

**Alternative 2:** The Department considered limiting the scope of the rulemaking to the establishment of the administration certification fee schedule and not establishing a completeness review or clarifying definitions and administrative procedures via regulation. Under this alternative, the Department would not have the ability to review certifications, including test results submitted by bag producers, for completeness. Staff determined that this alternative would likely result in a minor reduction in costs for bag producers by reducing the frequency that a certification would be found incomplete and necessitate the revision and re-submittal of a reusable grocery bag certification. However, the Department concluded that the absence of a completeness review and clarifying definitions would not achieve the same public health and environmental benefits as the proposed regulation.

## **E. MAJOR REGULATIONS**

### **5. The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency:**

The statute that necessitated this regulation instituted a ban on the sale of single-use carryout bags. Instead, reusable grocery bags that meet the requirements of sections 42281 and 42281.5 of the Public Resources Code may be distributed for a fee of no less than 10 cents. Statute requires that proof of certification for reusable grocery bags be submitted to the Department and that it post a list on its website with names of the certified reusable grocery bag producers.

This regulation specifically clarifies administrative procedures and establishes the administrative certification fee schedule pursuant to the requirements of statute, which will fund maintenance and ongoing operation of the Reusable Grocery Bag Reporting System. This regulation will ensure that reusable grocery bags sold and distributed in California meet the chemical and physical requirements specified by the law. Included in these requirements are toxicity testing and performance standards that ensure reusable grocery bags are safer for the environment. There are also postconsumer recycled content requirements which will minimize the environmental impacts associated with the extraction and processing of virgin materials to manufacture reusable grocery bags.

## **FISCAL IMPACT STATEMENT**

### **B. FISCAL EFFECT ON STATE GOVERNMENT**

A Budget Change Proposal (BCP), which authorized startup costs of \$149,000 in FY 2016-17, \$292,000 in FY 2017-18, and \$298,000 in FY 2018-19 from the Integrated Waste Management Fund, was approved by the Legislature and included in the Governor's FY 2017-18 Enacted Budget. Annual costs will be \$197,000 ongoing, starting in FY 2019-20.

The appropriation of these State funds was authorized pursuant to statutory provisions in SB 270 that require CalRecycle to establish a fee schedule to reimburse its costs. Upon approval and enactment of the administrative certification fee schedule for reusable grocery bag producers, CalRecycle will recover these monies as specified in the regulation.

The BCP included three new positions required to support development of these regulations and implementation of this new program and fund. Two are permanent and one is a two-year limited term. The following table provides a breakdown of the State government costs.

	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>
<b>Number of PYs</b>	1.5	3	3	2
<b>PY Costs (\$) <i>Dollars in Thousands</i></b>	127.5	255	253	158
<b>Operating Expenses and Equipment (\$)*</b>	21.5	43	39	39
<b>Total (\$)</b>	149	298	292	197

\*Operating expenses and equipment include printing, communications, postage, in-state travel, training, facilities operating, consolidated data centers, information technology, and non-capital asset purchases.