

**Department of Resources Recycling and Recovery**  
CalRecycle Informal Hearing Rules Regulations

**Economic and Fiscal Impact Statement Supplemental Information**

**Background of Regulations**

The California Department of Resources Recycling and Recovery (CalRecycle) is proposing to adopt comprehensive and uniform procedures governing its informal administrative hearings. CalRecycle is also proposing to amend existing sections of the California Code of Regulations (CCR) to incorporate the CalRecycle Informal Hearing Rules and eliminate conflicting procedures and timelines.

CalRecycle currently administers multiple waste management programs that provide a right to an informal administrative hearing conducted internally by the Director or their designee. These programs each operate under distinct timelines and procedures, resulting in inconsistent practices and a lack of clarity for participants. Additionally, existing regulations fail to provide clear guidance on critical aspects of the hearing process, such as evidentiary rules, procedural safeguards, and accommodations for individuals with disabilities.

As California advances its circular economy goals, new waste management programs are expected to expand CalRecycle's responsibilities. Many of these programs will require informal administrative hearings to address issues such as disciplinary actions or application denials. Without clear and uniform procedures, there is a risk of inefficiency, inconsistency, and diminished public confidence in the fairness and transparency of the hearing process. These proposed regulations are necessary to ensure a consistent framework that balances the need for fair treatment of respondents with efficient and cost-effective procedures.

The proposed regulations incorporate provisions required by the California Administrative Procedure Act (APA) and resemble regulations utilized by other state agencies that conduct administrative hearings. They also align with modern best practices for evidentiary hearings, using lessons drawn from research on "Type B" hearings under the federal APA. These best practices are outlined in Professor Michael Asimow's report, "Evidentiary Hearings Outside the Administrative Procedure Act." (Admin. Conf. of the U.S., Recommendation 2016-4, 81 Fed. Reg. 94314 (Dec. 23, 2016).)

**Anticipated Benefits from this Regulatory Action**

The goal of the Hearing Office Regulations is to implement a unified set of hearing procedures, applicable to all CalRecycle informal hearings. These standardized hearing procedures aim to ensure consistency across all CalRecycle hearings.

Additionally, the proposed regulations reflect CalRecycle's commitment to sustainability and operational efficiency. Innovations such as videoconference hearings and electronic document filing reduce costs, minimize travel burdens, increase accessibility for parties, and foster greater public access.

The proposed amendments and adoptions in these regulations will provide the following anticipated benefits:

- Lower transportation-related pollution and emissions by eliminating unnecessary travel for hearings, supporting California's climate and air quality goals.
- Decreased paper waste and resource consumption by encouraging electronic filings and exhibits, reducing environmental impact.
- Reduced exposure to contagious illnesses by allowing participants, including those who are immuno-compromised, to engage in hearings remotely, minimizing health risks.
- Increased efficiency in dispute resolution, ensuring that regulatory enforcement processes remain effective and do not result in unnecessary delays.
- Enhanced safety for hearing participants by reducing in-person interactions that could become volatile or confrontational, mitigating the risk of violence.
- Improved ergonomic working conditions for hearing participants, allowing them to join hearings from well-equipped, ergonomic home workstations rather than temporary setups in conference rooms.
- Expanded access for rural participants, ensuring that individuals who may face financial or logistical barriers to travel can fully participate in the hearing process.
- Greater economic inclusion, as respondents and witnesses can attend hearings without needing to take days off work or incur travel expenses.
- Formalized interpreter and disability accommodation procedures, ensuring that individuals with language barriers or disabilities have meaningful access to the hearing process.
- Standardized deadlines and procedural clarity, reducing confusion and ensuring all participants receive equal treatment regardless of the program under which their case arises.

These benefits ensure that CalRecycle's informal administrative hearings remain effective, equitable, and efficient for all Californians.

## **STD. 399: Economic and Fiscal Impact Statement**

### **Methodologies for Individual Answers – Economic Impact Statement**

#### **A. Estimated Private Sector Cost Impacts**

##### **A.2. Estimated Economic Impact**

The estimated economic impact of the proposed regulations is below \$10 million. They do not meet the definition of a Major Regulation under CCR, title 1, section 2000.

The total economic impact on business enterprises and individuals in California is well below the \$50 million threshold and does not warrant a Standardized Regulatory Impact Assessment (SRIA).

###### **a. Direct Economic Impacts**

The proposed regulations govern procedural rules for requesting and conducting informal administrative hearings. They do not require new equipment, training, or operational changes by regulated entities. They do not impose any new monetary penalties, fees, or mandatory compliance costs. They allow parties to a hearing to represent themselves or have a non-attorney representative to reduce costs.

The only potential direct cost may occur if a business or individual voluntarily opts for an in-person hearing, resulting in expenses such as travel, transportation, lodging, or lost wages. These costs are (1) avoidable by electing the default option of a remote hearing as proposed in these regulations; and (2) not generated by the proposed regulations, as hearings were previously conducted in person prior to 2020. By formalizing remote hearings as the default option, CalRecycle anticipates direct cost savings to individuals and businesses by preventing the costs mentioned above. CalRecycle anticipates few, if any, parties will request an in-person hearing given the popularity of remote offerings.

###### **b. Indirect Economic Impacts**

CalRecycle anticipates no significant indirect economic impacts. The proposed regulations do not create new demand for goods or services, nor do they affect supply chains, business models, or employment patterns. Businesses do not need to purchase or modify infrastructure. There are no ripple effects to upstream or downstream suppliers.

###### **c. Induced Economic Impacts**

CalRecycle expects no induced impacts. Because the proposed regulations impose no material direct or indirect costs, they do not affect household income, tax burdens, or broader consumer behavior. The proposed regulations are procedural and narrow in scope.

In sum, the proposed regulations impact a small number of regulated parties annually by offering them procedural clarity rather than imposing burdensome costs. CalRecycle does not foresee any material impact on business operations, employment, or consumer behavior. The total impact is far below \$50 million. Thus, these proposed

regulations are not a Major Regulation and do not require a SRIA under Government Code section 11346.3, subdivision (c) or CCR, title 1, section 2000.

### **A.3. Estimated Number and Type of Regulated Entities and Hearings Annually**

The proposed regulations only affect a small subset of regulated entities, including small businesses, engaged in disputes with CalRecycle who request an informal administrative hearing. These entities span a broad array of sectors, including:

- Beverage container recyclers, dealers, processors, and manufacturers;
- Mattress retailers and manufacturers;
- Waste tire haulers and permitted facilities;
- Retailers, producers, and stewardship organizations under the paint, battery, pharmaceutical, and packaging programs;
- Jurisdictions and businesses subject to the Short-Lived Climate Pollutants: Organic Waste Methane Emissions Reductions ([SB 1383, Lara, Chapter 395, Statutes of 2016](#)) organic waste diversion mandates;<sup>1</sup>
- Electronic waste collectors and recyclers; and
- Certified used oil collection centers

Determining the number of entities that will request informal hearings requires some assumptions when quantifying. CalRecycle's analysis relies not only on the number of enforcement actions taken or applications denied by CalRecycle, but also on the entities' willingness to contest CalRecycle's decision through an administrative hearing. Accordingly, CalRecycle estimates the future total to be a function of the (1) number of regulated entities, (2) the rate of noncompliance, (3) the number of past cases and enforcement actions, and (4) the trend towards increased enforcement as programs develop and hearings become more cost-effective. The output of this function will vary dramatically between programs. Each regulated sector has different requirements and compliance rates, so a bespoke analysis was performed for each program. To determine the number of businesses impacted, CalRecycle identified programs where an informal administrative hearing is an available option to regulated entities under statute or regulation, reviewed available data on the number of regulated entities, and estimated future hearing volumes based on historical enforcement activity and anticipated program maturity.

#### **a. Battery Recycling Program**

The Battery Recycling Program, established under the Responsible Battery Recycling Act of 2022, regulates approximately 208 producers and 539 brands.<sup>2</sup> Under Public Resources Code (PRC) section 42425.1, CalRecycle is authorized to impose administrative civil penalties on producers, program operators, stewardship

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<sup>1</sup> Sen. Bill No. 1383 (2015–2016 Reg. Sess.)

<[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB1383](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1383)>.

<sup>2</sup> CalRecycle, *List of Batteries Reported to CalRecycle: Reporting Period Ending June 30, 2023* (Assembly Bill No. 2440, § 42421, subd. (a)) <<https://www2.calrecycle.ca.gov/Docs/Web/125184>>.

organizations, manufacturers, distributors, retailers, importers, recyclers, and collection sites that violate the program's requirements.

While active enforcement efforts have not yet commenced under this new program, CalRecycle assumes that the number of producers and brands will grow as more battery-powered items enter the market in the future. Based on the number of regulated entities and historical enforcement patterns in comparable stewardship programs, CalRecycle conservatively estimates approximately five (5) informal administrative hearings per year under the proposed regulations.

b. Beverage Container Recycling Program

The Beverage Container Recycling Program regulates a large number of participants, including approximately 1,247 buy-back centers, 635 curbside programs, 173 drop-off programs, 131 community service programs, 163 processors, 2,457 distributors, and 2,463 beverage manufacturers.<sup>3</sup> Under PRC sections 14541, 14588.2, 14591.1, 14591.2, 14591.4, and 14591.6, informal administrative hearings are available for a range of enforcement actions, including suspensions, probationary revocations, application denials, civil penalties of \$5,000 or less, complaints regarding unfair pricing, and small restitution orders.

CalRecycle's most recent enforcement data reflect a robust compliance effort, including 242 notices of noncompliance and 162 notices of violation issued to recyclers, 546 notices of noncompliance and 608 notices of violation issued to dealers, along with more than \$472,000 in assessed civil penalties and \$1.3 million in restitution.<sup>4</sup>

Given the number of regulated entities and the volume of enforcement activity, CalRecycle conservatively estimates that approximately fifty (50) informal hearings per year will arise under this program in the future. This estimate reflects the anticipated hearing volume once CalRecycle starts to use informal, rather than formal, hearings for civil penalties under \$5,000, as permitted under statute.

c. Electronic Waste Recovery and Recycling Program

The Electronic Waste Recovery and Recycling Program currently regulates approximately 285 active approved collectors of covered electronic waste and 22 approved recyclers.<sup>5</sup> Under CCR, title 14, sections 18660.19, 18660.31, and 18660.44, informal administrative hearings are available for regulated entities contesting claim adjustments or denials, denials of applications for approval, suspensions or revocations of approvals, and assessments of civil penalties.

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<sup>3</sup> CalRecycle, *2022 Beverage Container Recycling in California* (2023) <<https://www2.calrecycle.ca.gov/Publications/Download/1901>>.

<sup>4</sup> CalRecycle, *2023 Beverage Container Recycling Program Inspections and Investigations* <<https://www.arcgis.com/apps/dashboards/014246bca6184dbe91a97e69378624cc>>.

<sup>5</sup> CalRecycle, *Covered Electronic Waste (CEW) Recycling Program Participants Directory* <<https://www2.calrecycle.ca.gov/Electronics/CEW/ParticipantsDirectory>>.

Historically, enforcement volume has been low, with only one (1) case proceeding to a hearing in 2023.<sup>6</sup> However, CalRecycle expects the number of informal hearings to increase following anticipated regulatory revisions aimed at tightening compliance standards for collectors and recyclers.

Based on the number of regulated entities and the expected regulatory changes, CalRecycle estimates approximately ten (10) informal hearings per year under this program once the proposed regulations are in effect.

**d. Mattress Recycling Program**

The Mattress Recycling Program regulates approximately 6,729 retail sites, 308 registered manufacturers, and 42 registered renovators.<sup>7</sup> Under PRC section 42993.1, CalRecycle may impose administrative civil penalties on manufacturers, mattress recycling organizations, distributors, recyclers, renovators, or retailers for violations of the Mattress Recycling Council's stewardship requirements. Penalties may range up to \$500 per day, or up to \$5,000 per day for intentional, knowing, or reckless violations.

In 2023, eleven (11) cases advanced to the penalty stage.<sup>8</sup> Based on historical enforcement activity and anticipated compliance trends, CalRecycle estimates approximately ten (10) informal administrative hearings per year under this program once the proposed regulations are in effect.

**e. Paint Stewardship Program**

The Paint Stewardship Program regulates approximately 4,055 retail sites and 219 paint manufacturers.<sup>9</sup> Under PRC section 48706.1, CalRecycle may impose administrative civil penalties on entities that violate paint stewardship requirements. Penalties may be assessed up to \$1,000 per violation per day, or up to \$10,000 per violation per day for intentional, knowing, or negligent violations.

In 2023, the program did not have cases escalate to the penalty stage after two notices of violation. Nevertheless, with the planned internalization of hearing procedures at CalRecycle, rather than the current practice of referring matters to the Office of Administrative Hearings, we anticipate an increase in the number of hearings. CalRecycle conservatively estimates approximately one (1) informal hearing per year under this program once the proposed regulations are implemented.

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<sup>6</sup> CalRecycle, *Enforcement Order Documents*

<<https://www2.calrecycle.ca.gov/Docs/EnforcementOrder/>>.

<sup>7</sup> CalRecycle, *2023 Extended Producer Responsibility: Carpet, Mattress, and Paint Program*  
<<https://www.arcgis.com/apps/dashboards/c7a85609f04d4306a9eb6079a877dcdf>>.

<sup>8</sup> CalRecycle, *2023 Extended Producer Responsibility: Carpet, Mattress, and Paint Program*  
<<https://www.arcgis.com/apps/dashboards/c7a85609f04d4306a9eb6079a877dcdf>>.

<sup>9</sup> CalRecycle, *2023 Extended Producer Responsibility: Carpet, Mattress, and Paint Program*  
<<https://www.arcgis.com/apps/dashboards/c7a85609f04d4306a9eb6079a877dcdf>>.

f. Pharmaceutical and Sharps Waste Stewardship Program

The Pharmaceutical and Sharps Waste Stewardship Program regulates approximately 6,600 businesses.<sup>10</sup> Under PRC section 42035.2 and CCR, title 14, section 18975.2, CalRecycle may impose administrative penalties or revoke stewardship plan approvals for covered entities, program operators, stewardship organizations, or authorized collectors that violate the program's requirements.

In 2023, while 62 entities received Notices of Noncompliance, no cases progressed to the penalty stage following two notices of violation.<sup>11</sup> Nevertheless, given the structure of the program, CalRecycle estimates approximately one (1) informal administrative hearing per year are possible after the proposed regulations are implemented.

g. Packaging (SB 54) Program

The Packaging Program, implemented under Senate Bill 54 (2022), regulates approximately 559,884 businesses, including an estimated 323,783 small businesses.<sup>12</sup> Under PRC section 42081, CalRecycle may issue notices of violation and impose administrative civil penalties of up to \$50,000 per day per violation, or \$25,000 per day per violation for smaller covered entities that meet specified criteria.

As enforcement regulations are still under development, no formal enforcement actions have been taken to date. However, given the large number of regulated businesses and the broad compliance requirements established under SB 54, CalRecycle conservatively estimates approximately fifty (50) informal administrative hearings per year under this program once enforcement activities are fully implemented.

h. Recycled-Content Newsprint Program

The Recycled-Content Newsprint Program regulates approximately 30 identified newsprint suppliers and manufacturers.<sup>13</sup> Under PRC sections 42790 and 42791, CalRecycle may impose fines and administrative civil penalties of up to \$1,000 per violation for noncompliance with recycled-content requirements.

There have been no enforcement actions under this program since 2009, and future enforcement activity is considered unlikely. Accordingly, CalRecycle does not anticipate any informal administrative hearings arising under this program as a result of the proposed regulations.

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<sup>10</sup> CalRecycle, STD. 399, *Economic and Fiscal Impact Statement: Regulation Implementing SB 212 (2019)* <<https://www2.calrecycle.ca.gov/Docs/Web/116262>>.

<sup>11</sup> CalRecycle, *2023 Extended Producer Responsibility: Pharmaceutical and Sharps Program* <<https://www.arcgis.com/apps/dashboards/077310333e8940a7b6e1262d0c35458e>>.

<sup>12</sup> CalRecycle, *Economic and Fiscal Impact Statement (STD. 399) Appendix: SB 54 Plastic Pollution Prevention and Packaging Producer Responsibility Act Regulations (2024)* <<https://www2.calrecycle.ca.gov/Docs/Web/129129>>.

<sup>13</sup> CalRecycle, *Newsprint Suppliers and Manufacturers (2023)* <<https://www2.calrecycle.ca.gov/Docs/Web/123444>>.

i. Used Oil Recycling Program

The Used Oil Recycling Program regulates more than 700 certified collection centers.<sup>14</sup> Under PRC section 48680, CalRecycle may impose administrative civil penalties of up to \$100 per day for violations of the used oil recycling requirements, following a notice and hearing process.

In the past five years, no enforcement actions in this program have required an informal hearing. Given the relatively small size of potential penalties and the historically low profile of enforcement actions, CalRecycle conservatively estimates approximately one (1) informal administrative hearing per year under this program once the proposed regulations are implemented.

j. Waste and Organics Diversion Program

The Waste and Organics Diversion Program regulates approximately 616 jurisdictions.<sup>15</sup> Under CCR, title 14, section 18997.5, CalRecycle may impose administrative civil penalties on jurisdictions, persons, and entities that fail to comply with mandatory organics recycling and edible food recovery requirements.

Enforcement actions under this program are prospective only at this stage. As of May 2024, 126 Corrective Action Plans have been issued to jurisdictions for noncompliance. Based on SB 1383 budget documents and projected compliance trends, CalRecycle anticipates up to sixty (60)<sup>16</sup> informal administrative hearings per year under this program once the proposed regulations are implemented. Additional discussion of anticipated impacts on local governments is provided in the Local Government Cost Impact section of this Appendix.

k. Waste Tire Program

The Waste Tire Program regulates approximately 1,400 registered waste tire haulers and 34 permitted waste tire facilities.<sup>17</sup> Under PRC sections 42843 and 42851, CalRecycle may revoke, suspend, or deny a waste tire facility permit, and may also impose administrative civil penalties.

In 2023, CalRecycle identified 391 inspections resulting in findings of noncompliance, with six (6) enforcement actions escalated to higher levels.<sup>18</sup> In 2024, fifteen (15) cases advanced to an administrative proceeding.<sup>19</sup> Based on this enforcement activity and ongoing regulatory oversight, CalRecycle estimates approximately fifteen (15) informal

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<sup>14</sup> CalRecycle, *Used Oil Recycling Program* (accessed May 16, 2025) <<http://calrecycle.ca.gov/UsedOil/>>.

<sup>15</sup> CalRecycle, *2023 CalRecycle Enforcement Report* (2024)

<<https://storymaps.arcgis.com/stories/5e15c53c99df4dca85033ac81d8e2d54>>.

<sup>16</sup> CalRecycle, *Budget Change Proposal No. 3970-015-BCP-2021-GB, Organic Waste Reduction Implementation (2021–2022 Fiscal Year)*,

<[https://bcp.dof.ca.gov/2122/FY2122\\_ORG3970\\_BCP4319.pdf](https://bcp.dof.ca.gov/2122/FY2122_ORG3970_BCP4319.pdf)>.

<sup>17</sup> CalRecycle, *Tire Facilities Search Tool* (accessed May 16, 2025)

<<https://www2.calrecycle.ca.gov/Tires/Facilities/Search/>>.

<sup>18</sup> CalRecycle, *2023 CalRecycle Enforcement Report* (2024)

<<https://storymaps.arcgis.com/stories/5e15c53c99df4dca85033ac81d8e2d54>>.

<sup>19</sup> CalRecycle, *Enforcement Order Documents*

<<https://www2.calrecycle.ca.gov/Docs/EnforcementOrder/>>.

administrative hearings per year under this program once the proposed regulations are fully implemented.

I. Other or Cross-Cutting Programs

CalRecycle anticipates that a small number of informal administrative hearings each year may arise from new or evolving programs not specifically listed above. These cases may include enforcement actions or permit denials under future regulations related to programs such as textile recycling or other waste reduction initiatives currently under development.

Because these programs are either newly authorized or still in early stages of regulatory design, there is currently no available enforcement history to project future hearing volume. As a conservative estimate, CalRecycle has allocated approximately five (5) informal administrative hearings per year to account for miscellaneous, cross-cutting, or future programs. This category ensures that the projected hearing volume remains flexible and appropriately accounts for emerging compliance frameworks across multiple sectors.

Enforcement Program	Estimated Annual Hearings	Basis for Estimate
Battery Recycling Program	5	New program; prospective enforcement only
Beverage Container Recycling Program	50	Over 1,500 violations/rest. actions; many eligible for informal resolution, plus low value fines will be eligible for informal hearing, increasing hearing volume
Electronic Waste Recovery and Recycling Program	10	1 current case, future increases expected due to regulatory changes
Mattress Recycling Program	10	11 penalty cases in 2023
Paint Stewardship Program	1	Regulations will be changing to do hearings internally instead of sending to OAH; low volume suggests that hearings will still be infrequent
Pharmaceutical and Sharps Waste Stewardship Program	1	No cases have proceeded to hearing yet but one is pending; possible greater enforcement once hearing rules effective
Packaging (SB 54) Program	50	Enforcement has not begun; high entity count suggests potential future volume
Recycled-Content Newsprint	0	No enforcement cases since 2009
Used Oil Recycling Program	1	No enforcement data found; assume minimal
Waste and Organics Diversion	60	Estimate from SB 1383 Budget Change Proposal
Waste Tire Program	15	15 known 2024 cases
Other or Cross-Cutting Programs	5	Buffer for new programs like textile recycling or small categories not explicitly covered
<b>Estimated Total</b>	<b>208</b>	Conservative estimate considering the annual fluctuation in enforcement and projected increase in hearings with some programs returning from OAH and other new programs ramping up

## **Estimated Number of Businesses Affected Annually**

Based on program-specific enforcement data and expected procedural changes, CalRecycle anticipates conducting approximately 148 informal administrative hearings per year involving businesses. This estimate removes the sixty (60) hearings projected annually under the Waste and Organics Diversion Program, which are anticipated to involve local municipalities rather than private businesses. CalRecycle also assumes that each hearing will only apply to one entity at a time, and that a typical entity who chooses to pursue a hearing will only do so once over the course of a decade.

The 148 hearings involving businesses account for both current enforcement volumes and projected increases as certain programs mature and expand the use of informal hearings.

Of that total, an unknown number of cases may settle between the filing of a Notice of Defense and the scheduled hearing. The proposed regulations further encourage early settlement through the availability of settlement conferences. Because the settlement rate cannot yet be reliably quantified, 148 hearings per year is used as a conservative estimate for annual business participation.

## **Estimated Share of Small Businesses**

While CalRecycle does not collect comprehensive business size data at the enforcement level, many regulated businesses in the affected program areas are likely to qualify as small businesses under Government Code section 11342.610 (i.e., independently owned and operated, not dominant in their field, and with fewer than 100 employees).

Examples of small businesses likely to be affected include independent recycling centers, small retailers, regional haulers, facility operators, and local manufacturers or distributors. Based on a review of the industries regulated across the programs and historical enforcement patterns, CalRecycle conservatively estimates that approximately 70 percent of business hearing participants (104 of 148 businesses) will be small businesses.

### **A.4. Estimated Creation/Elimination of Businesses**

The proposed regulations govern internal procedures for informal administrative hearings and do not impose new operational, licensing, or reporting requirements on regulated businesses. They are limited to specifying how a party may request a hearing and how that hearing is conducted. Accordingly, no businesses are expected to be created or eliminated because of this rulemaking.

This conclusion is supported by several factors. First, the agency-wide analysis of anticipated hearings across CalRecycle programs yielded an estimated 208 informal hearings annually, which represents a very small subset of total businesses regulated by CalRecycle.<sup>20</sup> Second, these procedures are only triggered at the election of the

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<sup>20</sup> The number of regulated businesses listed for the above programs totals approximately 588,000. The percent of regulated businesses who are projected to request a hearing each year under our calculations

regulated entity, after they request a hearing. And third, these proposed regulations do not alter core business operations, market entry conditions, or economic incentives related to industry participation.

Thus, CalRecycle has concluded there are no anticipated economic impacts related to business creation or elimination because the proposed regulations affect only procedural conduct once enforcement has already occurred. Additionally, the procedural clarity and expanded use of remote hearings may create minor administrative efficiencies or cost savings for businesses facing enforcement. However, these benefits are not expected to shift market dynamics, affect business viability, or alter the number of businesses operating in the state.

### **A.5. Estimated Geographic Impact**

The proposed regulations apply statewide to regulated entities that request an informal administrative hearing at CalRecycle. These procedural rules govern how informal administrative hearings are conducted and do not impose new compliance requirements or economic incentives that would influence business expansion.

While the regulations themselves are neutral with respect to geography, the anticipated geographic distribution of hearings is expected to mirror the population and business demographics of California. According to 2020 U.S. Census Bureau data,<sup>21</sup> California's population is distributed as follows across the four U.S. District Court-style<sup>22</sup> regions:

- 49 percent in the Central Region, which includes densely populated counties such as Los Angeles, Orange, Riverside, and San Bernardino;
- 21 percent in the Eastern Region, which includes the Central Valley and Sacramento;
- 21 percent in the Northern Region, which includes the Bay Area and North Coast; and
- 9 percent in the Southern Region, which includes San Diego and Imperial Counties along the international border.

Because the majority of regulated businesses and enforcement activity are proportionally distributed among these populations, CalRecycle expects that about 58 percent of hearings will involve parties located in Southern California and the remaining 42 percent will be from areas in or around Northern California. The parties in Southern

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(148 of 208 hearings) is about 0.025 percent (148/588,000). This means that a fraction of a percent (0.25 percent) of regulated businesses would be involved in a CalRecycle informal hearing over the regulations' 10-year lifetime.

<sup>21</sup> U.S. Census Bureau, *Annual Estimates of the Resident Population for Counties in California: April 1, 2020 to July 1, 2024* (accessed May 16, 2025) <<https://data.census.gov/>>.

<sup>22</sup> U.S. District Court, Central District of California, *Jurisdiction* (accessed May 16, 2025) <<https://www.cacd.uscourts.gov/jurisdiction>>; U.S. District Court, Northern District of California, *Jurisdiction Map* (accessed May 16, 2025) <<https://cand.uscourts.gov/about/jurisdiction-map>>; U.S. Attorney's Office, Eastern District of California, *District Overview* (accessed May 16, 2025) <<https://www.justice.gov/usao-edca/media/1344721>>; U.S. District Court, Southern District of California, *Jurisdiction Map* (accessed May 16, 2025) <<https://www.casd.uscourts.gov/jurors/Jurisdiction-Map.aspx>>.

California stand to benefit the most from the proposed default to remote hearings, as they would incur greater expenses when traveling to in-person hearings in Sacramento.

#### **A.6. Estimated Creation/Elimination of Jobs**

CalRecycle has determined that the proposed regulations will not result in the creation or elimination of jobs within the State of California. The regulatory changes are procedural in nature and primarily serve to enhance consistency, accessibility, and efficiency in CalRecycle's informal administrative hearing processes.

#### **A.7. Estimated Impact on Business Competitiveness**

The proposed regulations are procedural in nature, focusing on the conduct of informal administrative hearings. They do not introduce new compliance requirements or economic incentives that would directly influence the competitiveness of California businesses relative to those in other states. Given this scope, it is anticipated that the proposed regulations will not impact the ability of California businesses to compete with businesses in other states. The processes involved are expected to be managed by existing personnel within both CalRecycle and the regulated entities. Therefore, the proposed regulations are not expected to have any significant impact on the competitiveness of California businesses.

### **B. Estimated Costs**

#### **B.1. Estimated Compliance Costs**

The proposed regulations do not create new compliance costs for businesses, individuals, or local governments beyond those that already exist under current law and practice. Rather, they reduce potential costs by codifying remote hearings as the default option, which minimizes travel, lodging, and time costs historically associated with in-person hearings, and by standardizing procedural rules across programs to simplify hearing participation and reduce administrative preparation time.

Under existing law, regulated parties already have the right to request informal administrative hearings following an enforcement action or application denial. Any costs associated with attorney representation, preparation of evidence, or travel for in-person appearances existed prior to this regulatory action and are not created by these proposed regulations.

Initial hearing costs, which predated the proposed regulations and will exist after their enactment, may include:

- **Legal Representation:** A business could choose to have an attorney prepare a defense and represent them at hearing. The proposed regulations make this cost less likely, as they clarify that a respondent may elect to use a non-attorney representative, a less expensive option. Parties retain the right to represent themselves, rather than having an attorney or other representative.
  - CalRecycle used May 2024 Occupational Employment and Wage Statistics from the U.S. Bureau of Labor Statistics (BLS) "Los Angeles-Long Beach-Anaheim, CA" area data set to gather mean wages, as the largest percent of hearings are estimated to come from this region. Based

on this data, an attorney (“Lawyers (23-1011)”) would charge \$130.10 per hour.<sup>23</sup> CalRecycle recognizes that some attorneys charge a flat fee for representation; however, without access to the average fees charged, using an hourly rate was the most reliable means to estimate this cost. CalRecycle also recognizes that some attorneys who specialize in administrative law may charge a higher hourly rate; however, CalRecycle assumes this rate will balance out with the higher hourly rate charged by an attorney in the Los Angeles metropolitan region, compared to those in lower cost regions.

- CalRecycle assumes that a remote hearing length will be approximately four (4) hours and that an attorney would spend two (2) hours preparing, for a total of six (6) hours. This totals **\$780.60** in attorney fees per hearing.
- **Witness Time:** A business may have witnesses or staff testify in support of their case during the hearing. CalRecycle does not include the estimated cost of an expert witness, as CalRecycle does not believe that many businesses will elect to hire one and the cost would artificially inflate the estimated total. Instead, CalRecycle expects that the average business will use half of the four-hour hearing time for its defense, amounting to two hours for its witnesses.
  - CalRecycle estimates that a business would have two witnesses. CalRecycle selected an estimate that one entry level worker may testify, and one management worker would testify. They would each testify for one hour of the four-hour hearing but would be required to be available for an additional hour based on scheduling needs. This totals two hours per witness.
  - The entry level worker for most hearings would likely qualify as “Laborers and Freight, Stock, and Material Movers, Hand (53-7062)”, which BLS data lists at a wage of \$20.57 per hour.<sup>24</sup> Two hours would total \$41.14.
  - The management worker would likely qualify as “First-Line Supervisors of Production and Operating Workers (51-1011),” which BLS data lists at a wage of \$37.41 per hour.<sup>25</sup> Two hours would total \$74.82.
  - Combined, two hours for each witness would total **\$115.96** in witness time per hearing.
- **Travel, Lodging, Meals:** CalRecycle estimates that 90 percent of businesses will elect to have a remote hearing, as opposed to an in-person hearing in Sacramento. Because all businesses could choose to avoid these costs under the proposed regulations, CalRecycle does not include them in our calculations.
- **Document Preparation:** CalRecycle estimates that businesses will no longer need to pay for paper copies of exhibits for the hearing because the proposed

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<sup>23</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>24</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>25</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

regulations require electronic exhibits, lowering this cost from \$540 per case<sup>26</sup> to **\$0**.

- **Other Administrative Tasks:** CalRecycle estimates that a business may need to gather records, communicate with CalRecycle staff and enforcement attorneys, and organize materials before the hearing. This is estimated to consume approximately 2.5 hours of clerical work time per hearing.
  - CalRecycle estimates that these tasks would be performed by someone in the “Office and Administrative Support Occupations (43-0000)” class, who BLS data states makes \$27.35 per hour.<sup>27</sup>
  - The total cost of administrative tasks would be **\$68.38** per hearing.
- **Total Costs Per Hearing:** (Legal Representation) + (Witness Time) + (Other Administrative Tasks) =  $\$780.60 + \$115.96 + \$68.38 = \underline{\$964.94}$ 
  - These initial costs are likely to remain the same for a small business, typical business, or individual. There is no evidence to suggest that any of these groups would incur different types of costs by requesting a CalRecycle hearing.
  - As less than one percent of regulated businesses would have a hearing before CalRecycle each year, the mean annual cost for a typical regulated business would average to zero. Only when a business requests a hearing before CalRecycle to contest an application denial or disciplinary event would that business incur any cost related to compliance with the proposed regulations.
  - As we foresee that a business would only request a hearing once in a 10-year period, there is no annual ongoing cost.
- **Total Costs Per Year:**  $(\$964.94) * (148 \text{ Hearings}) = \$142,811.12$ 
  - Of the 208 annual cases, CalRecycle estimates 60 hearings will involve municipalities. Those hearings are estimated under Fiscal Effects on Local Government.
- **Total Costs Over Lifetime:**  $(\$142,811.12) * (10 \text{ Years}) = \$1,428,111.20$

CalRecycle anticipates no significant ongoing costs associated with compliance. Informal hearings are isolated, voluntary events triggered by a party’s decision to contest an enforcement action or application denial. The overwhelming majority of regulated businesses and individuals will not request a hearing in any given year. For the small number that do (estimated at approximately 148 businesses annually), any compliance costs would be limited to isolated, case-specific expenses. These costs are one-time and nonrecurring.

In sum, the proposed regulations reduce existing costs and procedural burdens without creating new compliance costs. Any expenses incurred by hearing participants are attributable to the underlying enforcement or denial action, not to the procedural rules adopted by this regulation.

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<sup>26</sup> Assumptions and calculations for the benefits of electronic exhibits are listed in the Benefits section.

<sup>27</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA* (May 2024) (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

## B.2. Impact By Industry

Program Area	Estimated Annual Hearings	% of Total Annual Hearings (208)	Industry Economic Costs (# Hearings)* (\$964.94)	Primary Industry Affected
Beverage Container Recycling	50	24.04%	\$48,247	Recycling centers, dealers, distributors
Mattress Recycling	10	4.81%	\$9,649.40	Retailers, manufacturers
Waste Tire Program	15	7.21%	\$14,474.10	Tire haulers, facilities
Pharmaceuticals and Sharps	1	0.48%	\$964.94	Pharmacies, stewardship organization
Paint Stewardship	1	0.48%	\$964.94	Retailers, manufacturers, stewardship organization
Battery Recycling	5	2.40%	\$4,824.70	Retailers, manufacturers, recyclers
Used Oil Recycling	1	0.48%	\$964.94	Collection centers, retailers
Electronic Waste Recycling	10	4.81%	\$9,649.40	E-waste collectors, recyclers
Packaging (SB 54, future enforcement)	50	24.04%	\$48,247	Distributors, manufacturers, retailers, stewardship organization
Recycled Content Newsprint	0	0.00%	\$0	(negligible activity)
Waste and Organics Diversion	60	28.85%	N/A; See Fiscal Effect on Local Government	Municipalities, organic waste generators
Other or Miscellaneous Cases	5	2.40%	\$4,824.70	Mixed, foreseeably textile retailers

### **B.3. Reporting Requirements**

The proposed regulations govern procedural rules for informal administrative hearings and do not impose new reporting requirements on businesses or individuals. As such, they will not directly or indirectly impose annual reporting costs on compliant businesses.

### **B.4. Influence on Housing Costs**

The proposed regulations govern internal procedures for informal administrative hearings and do not involve housing development, financing, availability, or occupancy. As such, they will not directly or indirectly impact housing costs, housing supply, or the ability of Californians to secure or maintain housing.

### **B.5. Comparable Federal Regulations**

There are no existing federal regulations governing the conduct of informal administrative hearings under California's recycling, waste reduction, or stewardship statutes. These hearings are governed by the California APA, rather than the federal APA, and are specific to state programs administered by CalRecycle.

The proposed regulations are necessary to clarify and standardize internal hearing procedures consistent with state law and program-specific statutory authority. They ensure procedural due process and administrative efficiency for enforcement actions within CalRecycle's jurisdiction. CalRecycle does not anticipate the proposed regulations creating any additional costs due to a state/federal difference.

## **C. Estimated Benefits**

### **C.1. Estimated Benefits of the Regulations**

#### **a. Benefits to the Health and Welfare of California Residents**

The proposed regulations improve health and welfare outcomes by increasing procedural accessibility and reducing logistical burdens on participants. The key benefits include:

- Expanded participation across regions: Individuals living in rural or underserved areas will be able to participate without needing to travel long distances, increasing access to due process.
- Reduced financial and personal stress: Parties will be able to attend hearings without taking full days off work or incurring additional costs for childcare, eldercare, meals, or lodging.
- Protection for immunocompromised participants: Remote hearings reduce exposure to contagious illnesses for individuals with chronic health conditions or weakened immune systems.
- Greater accessibility for people with mobility impairments: By eliminating the need to travel to Sacramento, the proposed regulations will enable individuals with physical disabilities to participate from home.

b. Benefits to Worker Safety and Well-Being

The proposed regulations contribute to improved safety and comfort for agency staff, representatives, and regulated parties involved in the hearing process. The key benefits include:

- Reduced risk of violence: Hearings involving fines, license denials, or penalties may become emotionally charged. Remote proceedings limit the risk of physical escalation and workplace violence.
- Improved ergonomic conditions: Hearing participants can work from home with fully equipped desks with adjustable chairs and monitors, rather than improvised conference room setups that may lead to back, neck, or wrist strain over multi-hour sessions.
- Less time lost to commuting or travel disruptions: Hearing participants save time and reduce fatigue by avoiding long car or plane travel before engaging in high-focus tasks.

c. Benefits to Environmental and Operational Efficiency

The proposed regulations produce significant environmental and logistical improvements. The key benefits include:

- Lower transportation emissions: By reducing the number of in-person hearings, the proposed regulations will avoid the emissions associated with long-distance car or air travel. For example, a single roundtrip drive from Los Angeles to Sacramento (768 miles) generates approximately 0.2 metric tons of carbon dioxide per vehicle trip.<sup>28</sup>
- Reduced paper waste: Transitioning to electronic exhibits will avoid printing thousands of pages per hearing, reducing consumption of paper, ink, and plastic binder materials.
- Fewer hearing delays: Eliminating the need for physical travel will reduce the likelihood of postponements due to weather, traffic, or flight cancellations.
- Improved witness participation: Witnesses will be able to appear from different locations without needing to coordinate travel, increasing the likelihood that relevant testimony is available.

All the above savings are voluntary and realized only if a regulated party elects to contest an enforcement action or denied application and by requesting an administrative hearing. Most regulated entities will never incur any hearing-related expenses each year. When hearings do occur, the proposed default to remote participation will allow parties to avoid unnecessary travel and lodging expenditures. These savings will promote greater access to the hearing process, especially for rural and low-income participants, and reduce procedural barriers.

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<sup>28</sup> Carbon Footprint Ltd., *Carbon Footprint Calculator* (accessed May 16, 2025)  
<https://calculator.carbonfootprint.com/calculator.aspx>.

## **C.2. Source of Benefits**

The anticipated benefits are a result of the goals developed at CalRecycle based on broad statutory authority under the California APA.

The proposed regulation is not required by a specific statutory mandate but is authorized under Government Code section 11400.20, which permits state agencies to adopt their own procedural rules for informal administrative hearings. The APA's "Bill of Rights" (Gov. Code § 11425.10) outlines minimum procedural protections and encourages informal resolution mechanisms where appropriate.

CalRecycle is exercising this authority to expand procedural access and transparency, especially for small businesses and individuals. The proposed regulations improve efficiency and fairness in the hearing process by codifying remote hearing procedures, reducing logistical barriers, and maximizing clarity. These benefits support CalRecycle's broader statutory goals of fair enforcement and administrative stewardship, consistent with its responsibilities under the PRC.

## **C.3. Total Lifetime Statewide Benefits**

The quantifiable total lifetime statewide benefits of the proposed regulations largely stem from the embrace of modern technology that allows parties and witnesses to participate in a hearing from their own homes and businesses, as well as saving the cost of copying by submitting exhibits electronically.

### **a. Estimated Cost Savings from Default to Remote Hearings**

The proposed regulations generate significant cost savings for businesses, small businesses, and individuals by codifying remote informal hearings as the default option. These savings occur by avoiding substantial travel, lodging, and associated expenses historically required to attend in-person hearings.

#### *Assumptions Used for Benefit Estimate:*

- 208 informal administrative hearings are anticipated per year based on program-wide enforcement projections.
- 90 percent (approximately 187 hearings) are expected to occur remotely under the proposed regulations.
  - Of the 208 total hearings, 148 are expected to be business and 60 are expected to be local governments. 90 percent of those hearings are expected to be remote, giving an estimate of 133 remote hearings for businesses or individuals under the proposed regulations.
- 10 percent (approximately 21 hearings) are expected to occur in-person at the respondent's election.
  - Accordingly, 15 of the hearings involving businesses or individuals, excluding local governments, are expected to remain in-person under the proposed regulations.
- It is assumed that a respondent would have three individuals attending the hearing: one attorney or representative and two witnesses.

- Costs associated with preparing evidence or obtaining representation existed prior to the regulations and are not considered new or attributable to these regulations.

*Travel-Related Costs Avoided Per Remote Hearing:*

- Estimated travel from the Los Angeles area was used because the largest share of California's population and thus hearings are likely to originate there. This is an appropriate assumption because while some participants will be closer to Sacramento, and thus incur lower travel costs, others will be farther or in more remote areas that require higher travel costs. Thus, Los Angeles is a fair assumption in the middle of the potential cost range.
- It is assumed that in-person hearings will be conducted in Sacramento under the proposed regulations and prior practices.
- It is assumed that driving from Los Angeles to Sacramento would be 768 miles roundtrip,<sup>29</sup> valued at the IRS rate of \$0.70 per mile,<sup>30</sup> for a total driving cost of \$537.60.
  - While driving is more expensive than flying for a single individual, some parties or witnesses may choose to drive because of lack of a Real ID or personal preference. Accordingly, CalRecycle includes this figure and averaged it with flying for the estimated in-person costs.
- It is assumed that roundtrip flights from LAX to SMF will total \$335.
  - Flights from LAX to SMF average \$194.<sup>31</sup>
  - Flights from SMF to LAX average \$141.<sup>32</sup>
- Lodging in Sacramento is estimated at GSA rates (\$150/night for two nights).<sup>33</sup>
- Meals and incidentals are estimated at GSA per diem for Sacramento (\$86/day for hearing day only).<sup>34</sup>
- **Total in-person hearing cost per person (not including time value): Travel + Lodging + Per Diem**
  - Driving: \$537.60 + \$300 + \$86 = \$923.60 per person
  - Flying: \$335 + \$300 + \$86 = \$721.00 per person
  - **Average: (\$721 + \$923.60)/2 = \$822.30 per person**
- For each remote case, the estimated savings would be the cost of an in-person hearing times three people: (\$822.30)\*(3) = **\$2,466.90**

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<sup>29</sup> Google Maps, *Driving Directions from Los Angeles, CA to Sacramento, CA* (accessed May 16, 2025) <<https://www.google.com/maps/>>.

<sup>30</sup> Internal Revenue Service, *Standard Mileage Rates* (accessed May 16, 2025) <<https://www.irs.gov/tax-professionals/standard-mileage-rates>>.

<sup>31</sup> Fare Detective, *Flight Price History: Los Angeles (LAX) to Sacramento (SMF)* (accessed May 16, 2025) <[https://www.faredetective.com/farehistory/airfares-from-Los\\_Angeles-LAX-to-Sacramento-SMF.html](https://www.faredetective.com/farehistory/airfares-from-Los_Angeles-LAX-to-Sacramento-SMF.html)>.

<sup>32</sup> Fare Detective, *Flight Price History: Sacramento (SMF) to Los Angeles (LAX)* (accessed May 16, 2025) <[https://www.faredetective.com/farehistory/airfares-from-Sacramento-SMF-to-Los\\_Angeles-LAX.html](https://www.faredetective.com/farehistory/airfares-from-Sacramento-SMF-to-Los_Angeles-LAX.html)>.

<sup>33</sup> U.S. General Services Administration, *Per Diem Rates for Sacramento, CA* (accessed May 16, 2025) <<https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-results>>.

<sup>34</sup> U.S. General Services Administration, *Per Diem Rates for Sacramento, CA* (accessed May 16, 2025) <<https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-results>>.

- CalRecycle estimates 133 hearings (90% of 148 hearings) each year will be remote rather than in-person:  $(133) * (\$2,466.90) = \underline{\$328,097.70 \text{ in savings}}$  **annually for all hearings and \$3,280,977 in lifetime savings over 10 years.**

Over the next 10 years, regulated parties are projected to avoid approximately \$3,280,977 in aggregate travel-related costs. By shifting to remote hearings as the standard, the proposed regulations significantly reduce financial burdens on regulated entities without introducing new mandatory costs.

*Time-Related Costs Avoided Per Remote Hearing:*

The estimated time-related costs will vary by the individuals attending the hearing. To calculate a representative sample, past hearing experiences at CalRecycle were assessed.

- The value of each individual's time and mean wage was chosen to match the baseline assumption that the respondent, their representative, and any witnesses would travel from the Los Angeles area, the most populous area of the state. CalRecycle used the May 2024 Occupational Employment and Wage Statistics from the U.S. Bureau of Labor Statistics (BLS) "Los Angeles-Long Beach-Anaheim, CA" area data set to gather mean wages.<sup>35</sup>
- In past hearings, many respondents have chosen to retain legal counsel for their representation. Accordingly, CalRecycle selected the hourly wage of an attorney for the respondent's representative.
  - To approximate the time-value of an attorney representing a respondent at hearing, CalRecycle used "Lawyers," Standard Occupational Classification (SOC) 23-1011, with a mean hourly wage of \$130.10.
- CalRecycle chose a conservative estimate of two witnesses per hearing, based on past hearing experience. To calculate a representative value of the witnesses' time, CalRecycle used two types of potential witnesses that could appear in future CalRecycle hearings, understanding that the different wages would average to a more accurate estimate:
  - To approximate the time-value of someone who works at a recycling center, CalRecycle used "Laborers and Freight, Stock, and Material Movers, Hand," SOC 53-7062, with a mean hourly wage of \$20.57.<sup>36</sup>
  - To approximate the time-value of someone who supervises a laborer working in a recycling center, CalRecycle used "First-Line Supervisors of Production and Operating Workers," SOC 51-1011, with a mean hourly wage of \$37.41.<sup>37</sup>
- It is assumed that travel time ranges from 8 hours 30 minutes to 13 hours, averaging 10 hours and 45 minutes.
  - Flying estimates at each airport:

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<sup>35</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles-Long Beach-Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>36</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles-Long Beach-Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>37</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles-Long Beach-Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

- Flight time LAX to SMF: ~1 hour 15 minutes
- Airport arrival buffer before flight: ~2 hours
- Baggage claim/rental car after arrival: ~1 hour
- Same return process
- Total air travel day (round-trip): About 8 hours 30 minutes total (including ground transfers and waiting).
- Driving estimates on Interstate 5:
  - Roundtrip distance: 768 miles (Los Angeles to Sacramento and back)
  - Driving assumptions: Average freeway speed (real-world, including traffic and stops): ~60 mph
  - Time to drive 768 miles:  $(768 \text{ miles}) / (60 \text{ mph}) = 12.8 \text{ hours (6.4 hours each way)}$
  - Realistic driving time estimate = 13 hours total (allowing for some variation in traffic and gas stops)

Participant Type	Hourly Wage	Hours Saved	Time Value Saved (per participant)
Attorney	\$130.10	10.75	\$1,398.58
Recycling Center Worker	\$20.57	10.75	\$221.13
Recycling Center Manager	\$37.41	10.75	\$402.16
<b>Total Time Value Per Hearing</b>			<b>\$2,021.87</b>

Based on the above wages and time estimates, CalRecycle reached a total of **\$2,021.87 in time-value savings** for the respondent's side at every hearing that is conducted remotely rather than in person. Over the 133 hearings expected to be done remotely instead of in-person under the proposed regulations, this yields an **annual time-value savings of \$268,908.71. Over the 10-year lifespan of these regulations, time-value savings total \$2,689,087.10.**

#### *Total Savings for Conducting Remote Hearings*

Based on the estimated 208 hearings per year, with 148 composed of businesses and individuals and 90 percent conducted remotely (133 hearings) under the proposed regulations, the regulations are expected to generate **total savings of approximately \$5,970,064.**

$$\begin{aligned} \text{Saved Travel Costs} + \text{Saved Time Costs} = \\ \$3,280,977 + \$2,689,087.10 = \$5,970,064.10 \end{aligned}$$

These savings reflect avoided travel, lodging, and meal costs (\$2,466.90 per hearing for three participants) and the opportunity cost of avoided travel time (\$2,021.87 per hearing for three participants).

### b. Estimated Cost Savings from Use of Electronic Exhibits

To estimate the total savings from the proposed regulations' shift to using electronic hearing exhibits, CalRecycle reviewed the size of past exhibit binders used in CalRecycle informal administrative hearings. Based on that information, CalRecycle produced the following assumptions and calculations:

- Pages per binder (one side's exhibits): 600 pages
- Copies made for each side (party, opposing party, hearing officer, court reporter, witness): 5 copies
- Total pages per hearing:  $(600 \text{ pages}) * (5 \text{ copies}) = 3,000 \text{ pages per hearing}$
- Cost per printed page: \$0.18 from a printing store<sup>38</sup>
- Total printing cost per hearing:  $(3,000 \text{ pages}) * (\$0.18 \text{ per page}) = \$540 \text{ per hearing}$
- Hearings per year affected by switch to electronic: All 208 hearings, 148 of which are for businesses and individuals
- Printing savings per hearing: \$540
- Annual printing savings:  $(148 \text{ hearings}) * (\$540) = \underline{\$79,920}$
- 10-year printing savings:  $(10 \text{ years}) * (\$79,920) = \underline{\$799,200}$

Prior to the proposed regulations, respondents were required to prepare hard copies of exhibit binders for hearings, totaling approximately 3,000 pages per hearing (600 pages and 5 copies). At an estimated \$0.18 per page, the cost advertised at a national office supply store, this represented approximately \$540 per hearing in copying costs borne by regulated parties.

Under the proposed regulations, electronic exhibits will be used for all hearings, eliminating these hardcopy costs. Based on an estimated 148 hearings annually, total printing savings for regulated businesses and individuals are **approximately \$79,920 per year, or \$799,200 over a 10-year period.**

### c. Total Estimated Cost Savings from the Proposed Regulations

Based on the above analysis, CalRecycle estimates that out of a total of 208 hearings per year, 148 will be for businesses and individuals, and 90 percent of those (133 hearings) will be completed remotely under the new regulations. For each case with a representative and two witnesses, this will save approximately \$2,466.90 in travel costs and \$2,021.87 in time-value lost to travel, for a total of \$4,488.77. Over 133 cases per year that would otherwise have been in-person, this would **save approximately \$597,006.41. Over 10 years, this totals approximately \$5,970,064.10.**

Those savings are then combined with the savings from using electronic exhibits instead of paper exhibits. At \$540 per case and 148 cases a year, **electronic exhibits should save \$79,920 annually and \$799,200 over 10 years. Combined, all quantifiable statewide benefits to businesses and individuals total \$6,769,264.10.**

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<sup>38</sup> Office Depot, *Copies* (accessed May 16, 2025)  
<<https://www.officedepot.com/a/products/870284/Copies/>>.

#### **C.4. Estimated Business Expansion**

The proposed regulations are procedural in nature, establishing clear and accessible rules for requesting and conducting informal administrative hearings. They do not regulate new markets, introduce new business opportunities, or affect demand for specific goods or services. As a result, the proposed regulations are not expected to lead to the expansion of businesses within California.

Rather, by reducing travel costs, administrative burdens, and paperwork requirements for regulated parties participating in enforcement hearings, the regulations may produce modest operational savings for existing businesses. However, these savings are unlikely to be substantial enough to directly influence business formation, expansion, or relocation decisions.

## **D. Alternatives to the Regulation**

### **D.1. Alternatives Considered**

#### Alternative 1: Send All Hearings to OAH

Under this alternative, CalRecycle would refer all informal administrative hearings to the Office of Administrative Hearings (OAH). While regulated parties would not incur direct filing or electronic evidence fees (these are paid by the agency), hearings at OAH typically involve more formal procedures, evidentiary rules, and scheduling delays.

CalRecycle rejected this alternative due to the significant cost and delay associated with referring all hearings to OAH. OAH charges hourly rates for its services, making this option substantially more expensive than using CalRecycle's in-house hearing officers, who are already salaried. Additionally, the wait time for OAH hearings can extend up to six months, delaying case resolution. In contrast, CalRecycle's hearing officers can process matters more promptly. CalRecycle's hearing officers also bring specialized subject-matter expertise in the agency's unique regulatory programs, expertise that OAH administrative law judges may not possess. This makes in-house adjudication both more cost-effective and better tailored to CalRecycle's needs.

#### Alternative 2: Keep the Status Quo Rather than Uniform Regulations

Under this alternative, CalRecycle would not adopt uniform informal hearing regulations. Regulated parties and their attorneys would continue to navigate multiple program-specific rule sets, resulting in increased administrative burden and a higher risk of procedural errors.

CalRecycle rejected this alternative because maintaining multiple program-specific hearing procedures creates unnecessary complexity and administrative burden for both the agency and regulated parties. The lack of a standardized framework increases the risk of procedural inconsistencies and errors, particularly for any regulated entity that operates across multiple programs. By contrast, adopting uniform informal hearing regulations promotes clarity, fairness, and efficiency. This ensures consistent due process protections while streamlining internal operations and reducing the likelihood of legal challenges based on procedural grounds.

### **D.2. Summary of the Costs and Benefits of Alternatives**

#### Proposed Regulations

Under the proposed regulation, CalRecycle would adopt uniform informal hearing procedures, leading to an estimated public benefit of **approximately \$6,769,264.10 over 10 years**. These benefits primarily result from reduced travel costs, time savings from remote hearings, and the elimination of printing costs for exhibits. The proposed regulations impose no new compliance costs on regulated parties.

### Alternative 1: Send All Hearings to OAH

Under this alternative, CalRecycle would refer all informal administrative hearings to the Office of Administrative Hearings (OAH). As a result, regulated parties would likely incur additional attorney preparation and participation time. A conservative assumption would be that at least two additional hours of attorney time would be needed for every case where a respondent retained counsel. At the \$130.10 hourly rate listed in the May 2024 BLS data,<sup>39</sup> this would total \$260.20 per case. If every one of the cases involved counsel having to be retained to help understand the formal administrative hearing procedures at OAH, that would total \$54,121.60 each year (\$260.20\*208 cases).

In sum, this alternative would involve a **total cost of at least \$541,216 over the 10-year lifetime of the regulations.**

### Alternative 2: Keep the Status Quo Rather than Uniform Regulations

Under this alternative, CalRecycle would forgo the benefits from the proposed regulations. This results in a lost opportunity cost of the \$6,769,264 benefits generated by the proposed regulations.

#### **D.3. Quantification Issues Relevant to the Comparison**

Some variables relevant to the cost and benefit comparison for these regulations and their alternatives are difficult to quantify precisely.

For example, the estimated time savings for regulated parties are based on reasonable assumptions about average travel distances, transportation modes, and preparation time, but individual circumstances may vary widely depending on where participants are located within California. Similarly, assumptions regarding attorney hourly rates use the mean wage data from the May 2024 U.S. Bureau of Labor Statistics survey for the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area, but actual attorney fees can differ depending on experience, specialization, and contractual arrangements.

In the alternatives analysis, potential intangible benefits from greater procedural clarity, such as improved fairness, reduced stress for participants, and greater public trust, were not assigned a dollar value, even though they are real outcomes expected to result from the proposed regulations. Likewise, the cost impacts from more formal procedures under the OAH alternative could vary depending on case complexity and party familiarity with administrative proceedings, which are factors not easily monetized.

Despite these limitations, the estimates provided represent conservative and reasonable assumptions based on available data and were applied consistently across all comparisons.

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<sup>39</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

#### **D.4. Performance Standard Consideration**

The proposed regulations prescribe procedures for requesting and conducting informal administrative hearings under the California APA. These are prescriptive standards, not performance standards, as defined in Government Code section 11342.590.

Because the proposed regulations do not mandate the use of specific technologies or equipment, nor prescribe any specific physical or operational performance outcomes, consideration of performance standards under Government Code section 11342.570 was not applicable.

## **E. Major Regulations**

### **E.1. Total Estimated Costs**

The estimated total cost of the proposed regulations to California business enterprises is well below \$10 million. As documented in Section B, the proposed regulations impose no mandatory compliance costs and instead reduce burdens by establishing a uniform default to remote hearings and electronic exhibits. Businesses that opt to participate in an in-person hearing may incur travel and preparation costs, but these are discretionary and expected to occur in a small minority of cases.

The estimated total 10-year public cost of the proposed regulations is \$0, and the proposed regulations provide net savings to businesses and individuals. Any costs associated with attorney representation, preparation of evidence, or travel for in-person appearances existed prior to this regulatory action and are not created by these proposed regulations.

### **E.4. Standard Regulatory Impact Assessment (SRIA)**

The estimated economic impact of the proposed regulations to California businesses and individuals does not exceed \$50 million in any 12-month period. As documented in Sections B and D of the STD 399, the proposed regulations impose no new compliance costs and instead provide cost savings through reduced travel and printing expenses for regulated parties.

The total 10-year public benefit is estimated at \$6,769,264.10, well below the threshold that would define this as a major regulation requiring a Standardized Regulatory Impact Assessment (SRIA) under Government Code section 11346.3, subdivision (c).

### **E.5. Impact Analysis: Investment, Innovation, and Regulatory Benefits**

The increase or decrease in investment in the State:

N/A. The proposed regulations do not meet the threshold for a major regulation and are not expected to influence investment patterns within the state.

The incentive for innovation in products, materials, or processes:

N/A. The proposed regulations are procedural and do not regulate technology, materials, or product design.

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 regulations promote public access, fairness, and participation in the administrative hearing process by establishing consistent, transparent procedures. They reduce costs for regulated parties by formalizing remote hearings and electronic exhibits as defaults, resulting in time savings, travel cost reductions, and decreased paper use. Additional

benefits include improved access for individuals in rural areas, people with disabilities, or those with caregiving responsibilities, as well as enhanced safety for agency staff by minimizing in-person confrontations. The regulations also support environmental goals by reducing vehicle travel and paper consumption.

## **Methodologies for Individual Answers – Fiscal Impact Statement**

### **A. Fiscal Effects on Local Governments**

#### **A.1. Annual Expenditures Reimbursable by the State**

No additional expenditures are reimbursable under Article XIII B.

The proposed regulations do not create any new duties or impose a new state mandate on local governments under Government Code section 17500 et seq. Local jurisdictions already have existing statutory obligations under SB 1383. The proposed regulations govern only the procedures for informal hearings requested by those jurisdictions to contest enforcement, and participation remains voluntary. Accordingly, no new reimbursable costs are created.

#### **A.2. Annual Expenditures Not Reimbursable by the State**

Some local governments may incur minor, case-specific costs if they choose to contest an enforcement action under SB 1383 through an informal administrative hearing.

These hearings are voluntary and occur only if the jurisdiction elects to dispute a penalty or compliance order. The proposed regulations do not mandate new duties or activities for local governments. They simply clarify procedures for a process already available under existing law. Accordingly, any costs incurred are non-reimbursable and do not trigger mandates under Government Code section 17500 et seq.

Like businesses and individuals, the initial hearing costs for a local government participating in a CalRecycle informal administrative hearing will consist of the costs that predated the proposed regulations and will thus exist after their enactment, and may include:

- **Legal Representation:** A local government will likely use legal representation to participate in a CalRecycle hearing. Unless the local government retains private counsel, the representative will typically be a city attorney or county counsel.
  - The May 2024 BLS data does not provide a separate wage classification for government-employed attorneys. While most local government attorneys are salaried employees, there is no uniform public pay scale available across California's hundreds of local jurisdictions. In the absence of standardized hourly cost data, and to ensure a consistent methodology with private sector estimates, CalRecycle used the BLS occupational

classification for “Lawyers (23-1011),”<sup>40</sup> with a mean hourly wage of \$130.10. This approach provides a reasonable proxy for estimating the cost of legal staff time devoted to a hearing, regardless of whether the cost is internally absorbed or externally contracted.

- CalRecycle assumes that a remote hearing length will be approximately four (4) hours and that an attorney would spend two (2) hours to prepare, for a total of six (6) hours. This totals \$780.60 in attorney fees per hearing.
- **Witness Time:** Local governments may have staff testify in support of their case during a CalRecycle hearing. CalRecycle assumes that two witnesses will appear: one with operational knowledge of local solid waste systems, and another with expertise in programmatic compliance (such as a sustainability coordinator or environmental planner). To estimate the cost of witness time, CalRecycle used May 2024 BLS data. Because CalRecycle does not collect detailed salary information for staff at the local government level, and local jurisdictions vary in staffing structures and pay scales, CalRecycle selected BLS occupational classifications that closely align with the likely roles of local witnesses.
  - CalRecycle assumes each witness would testify for one hour of the four-hour hearing but be required to be available for at least two hours total to account for scheduling flexibility and questions.
  - The first witness is expected to work in solid waste operations or compliance. CalRecycle used the classification for Compliance Officers (13-1041), with a mean hourly wage of \$46.52.<sup>41</sup> Two hours would total \$93.04.
  - The second witness is expected to come from a sustainability or environmental program. CalRecycle used the classification for “Environmental Scientists and Specialists, Including Health” (19-2041), with a mean hourly wage of \$52.05.<sup>42</sup> Two hours would total \$104.10.
  - Total Witness Cost per Hearing:  $\$93.04 + \$104.10 = \$197.14$ .
- **Travel, Lodging, Meals:** CalRecycle estimates that 90 percent of local governments will elect to have a remote hearing, as opposed to an in-person hearing in Sacramento. Because all local governments could choose to avoid these costs under the proposed regulations, CalRecycle does not include them in our calculations.
- **Document Preparation:** CalRecycle estimates that local governments will no longer need to pay for paper copies of exhibits for the hearing because the proposed regulations require electronic exhibits, lowering this cost from \$540 per case<sup>43</sup> to \$0.
- **Other Administrative Tasks:** CalRecycle estimates that a local government may need to gather records, communicate with CalRecycle staff and

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<sup>40</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>41</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>42</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>43</sup> Assumptions and calculations for the benefits of electronic exhibits are listed in the Benefits section.

enforcement attorneys, and organize materials before the hearing. This is estimated to consume approximately 2.5 hours of clerical work per hearing.

- CalRecycle estimates that these tasks would be performed by someone in the “Office and Administrative Support Occupations (43-0000)” class, who BLS data states makes \$27.35 per hour.<sup>44</sup>
- The total cost of administrative tasks would be \$68.38 per hearing.
- **Total Costs Per Hearing:** (Legal Representation) + (Witness Time) + (Other Administrative Tasks) =  $\$780.60 + \$197.14 + \$68.38 = \$1,046.12$
- **Total Costs Per Year:**  $(\$1,046.12) * (60 Hearings) = \$62,767.20$
- **Total Costs Over Lifetime:**  $(\$201,123.52) * (10 Years) = \$627,672.00$

## 1. Estimated Savings to Local Governments:

### Estimated Cost Savings from Default to Remote Hearings

The proposed regulations generate significant cost savings for local governments by codifying remote informal hearings as the default option. These savings occur by avoiding substantial travel, lodging, and associated expenses historically required to attend in-person hearings.

#### *Assumptions Used for Benefit Estimate:*

- 208 informal administrative hearings are anticipated per year based on program-wide enforcement projections.
- 90 percent (approximately 187 hearings) are expected to occur remotely under the proposed regulations.
  - Of the 208 total hearings, 148 are expected to be business and 60 are expected to be local governments. 90 percent of those hearings are expected to be remote, giving an estimate of 54 remote hearings for local governments under the proposed regulations.
- 10 percent (approximately 21 hearings) are expected to occur in-person at the participant’s election.
  - Accordingly, 6 of the hearings involving local governments are expected to remain in-person under the proposed regulations.
- Assume that a respondent would have three individuals attending the hearing: one attorney or representative and two witnesses.
- Costs associated with preparing evidence or obtaining representation existed prior to the regulations and are not considered new or attributable to these regulations.

#### *Travel-Related Costs Avoided Per Remote Hearing:*

- Assuming travel from Los Angeles because the largest share of California population and thus hearings are likely to originate there. This is an appropriate assumption because while some participants will be closer to Sacramento, and

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<sup>44</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles–Long Beach–Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

thus incur lower travel costs, others will be farther or in more remote areas that incur higher travel costs. Thus, Los Angeles is a far assumption in the middle of the potential cost range.

- Assuming in-person hearings will be conducted in Sacramento under the proposed regulations and prior practices.
- Assuming that driving from Los Angeles to Sacramento would be 768 miles roundtrip,<sup>45</sup> valued at the IRS rate of \$0.70 per mile,<sup>46</sup> for a total driving cost of \$537.60.
  - While driving is more expensive than flying for a single individual, some parties or witnesses may choose to drive because of lack of a Real ID or personal preference. Accordingly, CalRecycle includes this figure and averaging it with flying for our estimated in-person costs.
- Assuming that roundtrip flights from LAX to SMF will total \$335.
  - Flights from LAX to SMF average \$194.<sup>47</sup>
  - Flights from SMF to LAX average \$141.<sup>48</sup>
- Lodging in Sacramento at GSA rates (\$150/night for two nights).<sup>49</sup>
- Meals and incidentals at GSA per diem (\$86/day for hearing day only).<sup>50</sup>
- **Total in-person hearing cost per person** (not including time value): **Travel + Lodging + Per Diem**
  - Driving:  $\$537.60 + \$300 + \$86 = \$923.60$  per person
  - Flying:  $\$335 + \$300 + \$86 = \$721.00$  per person
  - Average:  $(\$721 + \$923.60)/2 = \$822.30$  per person
- For each remote case, the estimated savings would be cost of an in-person hearing times three people:  $(\$822.30)(3) = \$2,466.90$
- CalRecycle estimates 54 hearings (90% of 60 hearings) each year will be remote rather than in-person:  $(54) * (\$2,466.90) = \$133,212.60$  in savings annually for all hearings and \$1,332,126 in lifetime savings over 10 years

Over the next 10 years, local governments are projected to avoid approximately \$1,332,126 in aggregate travel-related costs. By shifting to remote hearings as the standard, the proposed regulations significantly reduce financial burdens on regulated entities without introducing new mandatory costs.

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<sup>45</sup> Google Maps, *Driving Directions from Los Angeles, CA to Sacramento, CA* (accessed May 16, 2025) <<https://www.google.com/maps/>>.

<sup>46</sup> Internal Revenue Service, *Standard Mileage Rates* (accessed May 16, 2025) <<https://www.irs.gov/tax-professionals/standard-mileage-rates>>.

<sup>47</sup> FareDetective, *Flight Price History: Los Angeles (LAX) to Sacramento (SMF)* (accessed May 16, 2025) <[https://www.faredetective.com/farehistory/airfares-from-Los\\_Angeles-LAX-to-Sacramento-SMF.html](https://www.faredetective.com/farehistory/airfares-from-Los_Angeles-LAX-to-Sacramento-SMF.html)>.

<sup>48</sup> FareDetective, *Flight Price History: Sacramento (SMF) to Los Angeles (LAX)* (accessed May 16, 2025) <[https://www.faredetective.com/farehistory/airfares-from-Sacramento-SMF-to-Los\\_Angeles-LAX.html](https://www.faredetective.com/farehistory/airfares-from-Sacramento-SMF-to-Los_Angeles-LAX.html)>.

<sup>49</sup> U.S. General Services Administration, *Per Diem Rates for Sacramento, CA* (accessed May 16, 2025) <<https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-results>>.

<sup>50</sup> U.S. General Services Administration, *Per Diem Rates for Sacramento, CA* (accessed May 16, 2025) <<https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-results>>.

### *Time-Related Costs Avoided Per Remote Hearing:*

The estimated time-related costs will vary by the individuals attending the hearing. To calculate a representative sample, past hearing experiences at CalRecycle were assessed.

- The value of an individual's time and mean wage was chosen to match the baseline assumption that the respondent, their representative, and any witnesses would travel from the Los Angeles area, the most populous area of the state. CalRecycle used the May 2024 Occupational Employment and Wage Statistics from the U.S. Bureau of Labor Statistics (BLS) "Los Angeles-Long Beach-Anaheim, CA" area data set to gather mean wages.<sup>51</sup>
- **Legal Representation:** CalRecycle anticipates that most local governments would retain legal counsel to represent them in a CalRecycle informal administrative hearing.
  - To approximate the time-value of an attorney representing a local government, CalRecycle used "Lawyers," Standard Occupational Classification (SOC) 23-1011, with a mean hourly wage of \$130.10.
- **Witnesses:** Local governments may have staff testify in support of their case during a CalRecycle hearing. CalRecycle assumes that two witnesses will appear: one with operational knowledge of local solid waste systems, and another with expertise in programmatic compliance (such as a sustainability coordinator or environmental planner). To estimate the cost of witness time, CalRecycle used May 2024 BLS data. Because CalRecycle does not collect detailed salary information for staff at the local government level, and local jurisdictions vary in staffing structures and pay scales, CalRecycle selected BLS occupational classifications that closely align with the likely roles of local witnesses.
  - The first witness is expected to work in solid waste operations or compliance. CalRecycle used the classification for Compliance Officers (13-1041), with a mean hourly wage of \$46.52.<sup>52</sup>
  - The second witness is expected to come from a sustainability or environmental program. CalRecycle used the classification for "Environmental Scientists and Specialists, Including Health" (19-2041), with a mean hourly wage of \$52.05.<sup>53</sup>
- **Travel Time:** Assume travel time ranges from 8 hours 30 minutes to 13 hours, averaging 10 hours and 45 minutes.
  - Flying, estimates from personal experiences at each airport:
    - Flight time LAX to SMF: ~1 hour 15 minutes
    - Airport arrival buffer before flight: ~2 hours
    - Baggage claim/rental car after arrival: ~1 hour

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<sup>51</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles-Long Beach-Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>52</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles-Long Beach-Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

<sup>53</sup> U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics: Los Angeles-Long Beach-Anaheim, CA (May 2024)* (accessed May 16, 2025) <<https://data.bls.gov/oes/#/area/0031080>>.

- Same return process
- Total air travel day (round-trip): About 8 hours 30 minutes total (including ground transfers and waiting).
- Driving, estimates from personal experiences on Interstate 5:
  - Roundtrip distance: 768 miles (Los Angeles to Sacramento and back)
  - Driving assumptions: Average freeway speed (real-world, including traffic and stops): ~60 mph
  - Time to drive 768 miles:  $(768 \text{ miles}) / (60 \text{ mph}) = 12.8 \text{ hours (6.4 hours each way)}$

Realistic driving time estimate = 13 hours total (allowing for some variation in traffic and gas stops)

Participant Type	Hourly Wage	Hours Saved	Time Value Saved (per participant)
Attorney	\$130.10	10.75	\$1,398.58
Compliance Officer	\$46.52	10.75	\$500.09
Sustainability Coordinator	\$52.05	10.75	\$559.54
<b>Total Time Value Per Hearing</b>			<b>\$2,458.21</b>

Based on the above wages and time estimates, CalRecycle reaches a total of \$2,458.21 in time-value savings for the respondent's side at every hearing that is conducted remotely rather than in person. Over the 54 hearings expected to be done remotely instead of in-person under the proposed regulations, which yields an annual time-value savings of **\$132,743.34**. Over the 10-year lifespan of these regulations, time-value savings total **\$1,327,433.40**.

#### *Total Savings for Conducting Remote Hearings*

Based on the estimated 208 hearings per year, with 60 composed of local government and 90 percent conducted remotely (54 hearings) under the proposed regulations, the regulations are expected to generate **total savings of approximately \$2,659,559.40**.

$$\begin{aligned} \text{Saved Travel Costs} + \text{Saved Time Costs} = \\ \$1,332,126 + \$1,327,433.40 = \$2,659,559.40 \end{aligned}$$

These savings reflect avoided travel, lodging, and meal costs (\$2,466.90 per hearing for three participants) and the opportunity cost of avoided travel time (\$2,458.21 per hearing for three participants), for total travel-related savings of \$4,925.11. Additionally, as demonstrated above, CalRecycle anticipates each case to save \$540 from using electronic exhibits instead of paper exhibits. The total savings per hearing from the proposed regulations for local governments is \$5,465.11, which exceeds the estimated \$1,046.12 in hearing expenses a local government is expected to incur when they request a hearing.

## **B. Fiscal Effects on State Government**

### **B.1. Annual Expenditures in the Current Fiscal Year**

CalRecycle does not foresee any additional expenditures in the current State Fiscal Year and those going forward. Any additional costs should be able to be absorbed within CalRecycle's existing budgets and resources.

The proposed regulations clarify and formalize existing practices for administrative hearings. The responsibilities associated with these procedures will be performed by existing CalRecycle personnel, including hearing officers and agency enforcement attorneys. No new positions will be created that have not already been approved, and no new equipment or contracts are required. Accordingly, any administrative costs will be absorbed within CalRecycle's existing budget and resources. No Budget Change Proposal was submitted or required for implementation.

### **B.2. Savings in the Current Fiscal Year**

CalRecycle does not anticipate any savings accruing to CalRecycle during the current State Fiscal Year. While the proposed regulations are expected to result in meaningful operational savings for CalRecycle over time (e.g., reduced travel, printing, and scheduling burdens), these savings are not anticipated to be realized during the current fiscal year due to the timing of adoption. Therefore, no current year fiscal savings are reported in Section B.2.

## **C. Fiscal Effects on Federal Funding of State Programs**

### **C.1. Additional Expenditures and Savings in the Current State Fiscal Year**

The proposed regulations have no impact on the federal funding of state programs. They do not create, modify, or eliminate any state program that receives federal funds, nor do they require additional federal support for implementation.

CalRecycle does not foresee any fiscal impact on a federally funded state agency or program.