

## **FISCAL IMPACT STATEMENT**

### **A. Fiscal Effect on Local Government**

5. No fiscal impact exists.

The proposed regulations do not impose any financial burden on local governments because the scope of the rulemaking does not include any requirements that would affect local government finances. Instead, the proposed regulations focus on implementing statutory requirements for California's Covered Electronic Waste (CEW) Recycling Program (Program) to further clarify the definition of "covered battery-embedded product," establish the cancellation method and recycling payment claim requirements for battery-embedded CEW, and describe covered battery-embedded product manufacturer reporting and notice requirements, among other proposed changes. Specifically, Public Resources Code section 42478(b)(2) requires CalRecycle to begin accepting payment claims on April 1, 2026, for battery-embedded CEW that was collected on or after January 1, 2026.

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

4. Other.

In 2022, Senate Bill (SB) 1215 amended the Electronic Waste Recycling Act (Act) of 2003 by adding covered battery-embedded products to the Program established by the Act. As a result of this expansion, for battery-embedded CEW collected on or after January 1, 2026, an approved Program participant may submit a recovery and recycling payment claim to CalRecycle for compliantly managing covered material. The proposed regulations establish the cancellation method and recycling payment claim requirements for battery-embedded CEW, among other proposed Program changes.

The total estimated cost to the state for implementing the proposed regulations is **\$9,821,721**, which includes fiscal impacts to both CalRecycle (\$8,012,721) and the Department of Toxic Substances Control (DTSC) (\$1,809,000).

CalRecycle estimates a total fiscal impact of \$8,012,721 over three fiscal years, as outlined in Budget Request 3970-020-BCP-2023-GB. CalRecycle staff considered the maximum salary of the position, which is published by CalHR. The maximum salary is considered to account for projected inflation over the next two years and to ensure the estimate reflects future labor market conditions. This estimate includes costs associated with Personnel Services, Benefits, and Operating Expenses and Equipment (OE&E):  
Services, Benefits, and Operating Expenses and Equipment (OE&E):

- FY 2025–26: \$2,670,907

SB 1215 Covered Battery-Embedded Products Emergency Regulations

STD. 399 Economic and Fiscal Impact Statement - Supplemental Information

- FY 2026–27: \$2,670,907
- FY 2027–28: \$2,670,907

Table 1: CalRecycle Cost							
Position Code/Names		FY23 BY+2		FY23 BY+3		FY23 BY+4	
Class Code	Class Title	No. of Position(s)	Compensation (Max)	No. of Position(s)	Compensation (Max)	No. of Position(s)	Compensation (Max)
756	ENVIRONMENTAL PROGRAM MANAGER I (SUPERVISORY)	1	\$ 301,511.00	1	\$ 301,511.00	1	\$ 301,511.00
765	SENIOR ENVIRONMENTAL SCIENTIST(SPECIALIST)	1	\$ 189,256.00	1	\$ 189,256.00	1	\$ 189,256.00
1414	INFORMATION TECHNOLOGY SPECIALIST II	1	\$ 228,290.00	1	\$ 228,290.00	1	\$ 228,290.00
4546	ACCOUNTING OFFICER (SPECIALIST)	2	\$ 276,844.00	2	\$ 276,844.00	2	\$ 276,844.00
4800	STAFF SERVICES MANAGER I	1	\$ 180,383.00	1	\$ 180,383.00	1	\$ 180,383.00
4801	STAFF SERVICES MANAGER II (SUPERVISORY)	1	\$ 196,153.00	1	\$ 196,153.00	1	\$ 196,153.00
5142	ASSOCIATE PERSONNEL ANALYST	1	\$ 155,721.00	1	\$ 155,721.00	1	\$ 155,721.00
5393	ASSOCIATE GOVERNMENTAL PROGRAM ANALYST	3	\$ 467,163.00	3	\$ 467,163.00	3	\$ 467,163.00
5734	RESEARCH DATA SUPERVISOR I	1	\$ 188,454.00	1	\$ 188,454.00	1	\$ 188,454.00
5742	RESEARCH DATA SPECIALIST I	1	\$ 176,692.00	1	\$ 176,692.00	1	\$ 176,692.00
5780	ATTORNEY IV	1	\$ 310,440.00	1	\$ 310,440.00	1	\$ 310,440.00
<b>Total</b>		<b>14</b>	<b>\$ 2,670,907.00</b>	<b>14</b>	<b>\$ 2,670,907.00</b>	<b>14</b>	<b>\$ 2,670,907.00</b>

These costs are primarily related to personnel services. The funding will support positions within the program for FY 2025–2026, including:

- One (1.0) Environmental Program Manager I (Supervisory) (EPM I)
- One (1.0) Senior Environmental Scientist (SES)
- One (1.0) Information Technology Specialist II (ITS II)
- Two (2.0) Accounting Officer (Specialist)
- One (1.0) Staff Services Manager I (SSM I)

- One (1.0) Staff Services Manager II (SSM II)
- One (1.0) Associate Personnel Analyst (APA)
- Three (3.0) Associate Governmental Program Analyst (AGPA)
- One (1.0) Research Data Supervisor
- One (1.0) Research Data Specialist I (RDS I)
- One (1.0) Attorney IV

These resources will be used to implement the statute, including, but not limited to, reviewing battery-embedded CEW recycling payment claims beginning **April 1, 2026**.

CalRecycle is required to administer and enforce the Electronic Waste Recycling Act of 2003 in consultation with **DTSC**. CalRecycle met with and consulted DTSC on the proposed regulations and requested that DTSC provide an estimate of the fiscal impact that the proposed regulations would have on the department.

After multiple consultations, DTSC specified that because of the proposed regulations, it will require one (1.0) Environmental Scientist and two (2.0) Senior Environmental Scientist (Specialist) positions to conduct the complex and new type of enforcement necessary to implement statute.

The information provided by **DTSC** indicates that the **fiscal impact** will be \$1,809,000 over three fiscal years, as follows:

- FY 2025–26: \$603,000
- FY 2026–27: \$603,000
- FY 2027–28: \$603,000

DTSC identified the need for additional staffing for the following reasons:

- SB 1215 added “covered battery-embedded product” to the statutory definition of “covered electronic device.”
- DTSC is required to inspect approved recyclers in the Program once every 12 months and strives to inspect approved collectors in the Program once every 4–5 years. With the inclusion of battery-embedded CEW collection and recycling, DTSC anticipates an increase in the number of approved recyclers and collectors in the Program, leading to more inspections and enforcement actions.
- Inspections ensure that facilities operate in compliance with all applicable laws and regulations.

- Facilities found to be non-compliant may receive violation notices. DTSC prioritizes enforcement for the most significant and serious violations.
- Enforcement actions include assessing penalties and issuing specialized conditions in settlement agreements to prevent further violations of hazardous waste laws. Battery-embedded CEW require dismantling, which increases handling risks and the potential for serious violations. As a result, DTSC expects enforcement activities to rise due to regulatory changes and increased waste volumes.

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

#### **3. No fiscal impact exists.**

The proposed regulations will not affect federal funding of state programs, as they do not include requirements that would impose financial costs. This determination is based on the limited scope of the rulemaking, which is focused on clarifying the definition of “covered battery-embedded product,” establishing the cancellation method and recycling payment claim requirements for battery-embedded CEW, and describing covered battery-embedded product manufacturer reporting and notice requirements, among other proposed changes.