

## **Department of Resources Recycling and Recovery**

### **Covered Battery-Embedded Waste Recycling Fee Emergency Regulations**

#### **STD. 399: Economic and Fiscal Impact Statement – Supplemental Information**

### **Fiscal Impact Statement**

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

5. No fiscal impact exists.

The proposed regulations do not impose any financial burden on local governments. This determination is based on the scope of the rulemaking, which does not include any requirements that would affect local government finances. Instead, the proposed regulations focus on fulfilling CalRecycle's statutory responsibility pursuant to Public Resources Code (PRC) Section 42464(b)(3), which requires that on or before October 1, 2025, and on or before October 1 each year thereafter, CalRecycle must establish a covered electronic waste (CEW) recycling fee for covered battery-embedded products (CBEPs) based on the reasonable regulatory costs to administer CEW recycling. The CEW recycling fee for CBEPs is referred to as the "covered battery-embedded waste recycling fee." The fee shall go into effect on January 1 of each calendar year after the fee is adopted, pursuant to PRC Section 42464(b)(3).

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

4. Other.

Senate Bill (SB) 1215 (Newman, Chapter 370, Statutes of 2022) expanded the scope of the Electronic Waste Recycling Act (Act) of 2003 by adding CBEPs to the CEW Recycling Program (Program) established by the Act. As a result of this expansion, on and after January 1, 2026, a covered battery-embedded waste recycling fee must be imposed on a new or refurbished CBEP at the time of retail purchase. (PRC Section 42464(b)(1)). The proposed regulations set the covered battery-embedded waste recycling fee at 1.5 percent of the retail sales price for each covered battery-embedded product sold for use in this state by a retailer, not to exceed \$1.00.

The total estimated cost to the state for implementing the proposed regulations is \$9,667,560, which includes fiscal impacts to both CalRecycle (\$6,922,560) and the Department of Toxic Substances Control (DTSC) (\$2,745,000). There are no fiscal impacts to the California Department of Tax and Fee Administration (CDTFA).

CalRecycle estimates a total fiscal impact of \$6,922,560 will be allocated to CalRecycle personnel services over three fiscal years (current fiscal year and two subsequent fiscal years), as outlined in Budget Request 3970-020-BCP-2023-GB. CalRecycle staff used the mid-range salary of each position when conducting this analysis. The mid-range salary is considered to account for projected inflation over the next two fiscal years and to ensure the estimate reflects future labor market conditions. The compensation

estimates listed in Table 1 include costs associated with Personal Services, Benefits, and Operating Expenses and Equipment (OE&E):

- FY 2026–27: \$2,307,520
- FY 2027–28: \$2,307,520
- FY 2028–29: \$2,307,520

These costs are primarily related to personnel services. The funding will support positions within the Program for FY 2026-2027 to FY 2028-2029, including:

- One (1.0) Environmental Program Manager I (Supervisory) (EPM I)
- One (1.0) Senior Environmental Scientist (Specialist) (SES)
- One (1.0) Information Technology Specialist II (ITS II)
- Two (2.0) Accounting Officer (Specialist)
- One (1.0) Supervisor I (Sup I)
- One (1.0) Supervisor II (Sup II)
- One (1.0) Associate Personnel Analyst (APA)
- Three (3.0) Analyst II
- One (1.0) Research Data Supervisor
- One (1.0) Research Data Specialist I (RDS I)
- One (1.0) Attorney IV

**Table 1. Compensation Estimates**

| Position Code/Title |                                 | 2026-2027        |              | 2027-2028        |              | 2028-2029        |              |
|---------------------|---------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Class Code          | Class Title                     | No. of Positions | Comp. (Mid.) | No. of Positions | Comp. (Mid.) | No. of Positions | Comp. (Mid.) |
| 756                 | EPM I                           | 1                | \$272,378    | 1                | \$272,378    | 1                | \$272,378    |
| 765                 | SES                             | 1                | \$171,985    | 1                | \$171,985    | 1                | \$171,985    |
| 1414                | ITS II                          | 1                | \$195,262    | 1                | \$195,262    | 1                | \$195,262    |
| 4546                | ACCOUNTING OFFICER (SPECIALIST) | 2                | \$229,415    | 2                | \$229,415    | 2                | \$229,415    |
| 4800                | SUP I                           | 1                | \$155,586    | 1                | \$155,586    | 1                | \$155,586    |
| 4801                | SUP II                          | 1                | \$170,784    | 1                | \$170,784    | 1                | \$170,784    |
| 5142                | APA                             | 1                | \$131,371    | 1                | \$131,371    | 1                | \$131,371    |
| 5393                | Analyst II                      | 3                | \$394,110    | 3                | \$394,110    | 3                | \$394,110    |

|              |                                  |           |                    |           |                    |           |                    |
|--------------|----------------------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|
| 5734         | RESEARCH<br>DATA<br>SUPERVISOR I | 1         | \$163,363          | 1         | \$163,363          | 1         | \$163,363          |
| 5742         | RDS I                            | 1         | \$151,508          | 1         | \$151,508          | 1         | \$151,508          |
| 5780         | ATTORNEY IV                      | 1         | \$271,758          | 1         | \$271,758          | 1         | \$271,758          |
| <b>Total</b> |                                  | <b>14</b> | <b>\$2,307,520</b> | <b>14</b> | <b>\$2,307,520</b> | <b>14</b> | <b>\$2,307,520</b> |

These resources will be used to administer and enforce the Act, which CalRecycle is required to do in consultation with DTSC. CalRecycle met with DTSC and requested a description of its potential fiscal impact to implement the proposed regulations.

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

The information provided by DTSC indicates that the fiscal impact will be \$2,745,000 over three fiscal years, as follows:

- FY 2026–27: \$915,000
- FY 2027–28: \$915,000
- FY 2028–29: \$915,000

CalRecycle also consulted with CDFTA to request information regarding its estimated fiscal impacts to implement the proposed emergency regulations and CDFTA confirmed there are no fiscal impacts.

### **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 solely on establishing the covered battery-embedded waste recycling fee.