

Toxic Substances Control Account Expenditure Report

2010/11 Fiscal Year

February 2012



DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Introduction

California's post-World War II industrial boom fueled unprecedented economic growth and boosted the state's population. Unfortunately, it also left behind a statewide legacy of contaminated soil and groundwater.

Today, the California Department of Toxic Substances Control (DTSC) works to clean up the impacts of that legacy, even as it also pioneers leading-edge solutions to prevent new sources of pollution. The Department's primary resource for funding for cleanup of contaminated properties and pollution prevention activities is the Toxic Substances Control Account (TSCA). Specifically, the TSCA funds DTSC's Site Mitigation and Brownfield Reuse Program (Cleanup Program) and the Science, Pollution Prevention and Technology Program (Pollution Prevention Program). Preventing pollution and cleaning up contaminated properties are two of DTSC's primary missions.

During the 2010-11 Fiscal Year, the TSCA provided \$61.3 million for DTSC's activities, including its efforts related to cleaning up contaminated sites and preventing pollution. This report includes three charts that explain DTSC's expenditures from the TSCA:

- Chart 1 displays total TSCA expenditures.
- Chart 2 displays total expenditures for the Cleanup Program.
- Chart 3 displays total expenditures for the Pollution Prevention Program.

The funds in TSCA play a key role in restoring contaminated properties to useful purposes. DTSC's work in cleaning up contaminated properties not only removes harmful contaminants, protecting the health of Californians, it also helps communities return those sites to beneficial use. It makes way for those properties to be turned into parks or recreational areas for families to enjoy. It helps expand transit lines for Californians to commute and reduce California's carbon footprint. It removes obstacles to building new civic centers for communities to gather, and new housing and commercial developments for families to live, work and shop. DTSC's investment of funding from TSCA provides the important first step for communities to make contaminated properties useful again.

The TSCA makes equally critical contributions to DTSC's groundbreaking Pollution Prevention efforts. Specifically, the fund helps DTSC press global manufacturers for alternatives to toxic chemicals in consumer products. The TSCA funding represents the backbone for DTSC's Safer Consumer Products Regulations, a unique government approach to curbing toxic chemicals, and part of California's Green Chemistry Initiative. Through the Green Business Program and the Green Station Program, DTSC helps businesses implement pollution prevention techniques through recognition and certification programs, workshops and technical assistance. Through the Green Station Program alone, DTSC's efforts have reduced hazardous waste and waste run-off by 19 tons while saving each participating business about \$9,000 annually. DTSC's pollution prevention activities create a safer and healthier environment and limit the costs of hazardous waste and pollution control in the future.

Each year pursuant to Section 25173.6 (i) of the Health and Safety Code, DTSC is required to submit a report on the previous fiscal year's expenditures from the Toxic Substances Control Account. This report shows total TSCA expenditures, as well as expenditures by the Budget Act.

The TSCA is a fund created by statute in 1997 and primarily supported by an annual environmental fee on California's businesses with 50 or more employees, ranging from \$283 up to a maximum of \$13,484. The remainder of the money deposited into TSCA is from monies recovered from parties responsible for contamination, and fines and penalties from DTSC's enforcement of its hazardous waste laws.

Expenditures include costs for the DTSC Environmental Chemistry Laboratory, Human and Ecological Risk Division, industrial hygiene program and numerous administrative functions such as executive, legal, accounting, budgeting, human resources and cost of facilities. TSCA funds contract costs for the cleanup of orphan and National Priority List sites and orphan share payments under the Expedited Remedial Action Program. The TSCA also funds related activities within the Department of Justice, Department of Public Health, Office of Environmental Health Hazard Assessment and State Controller's Office.

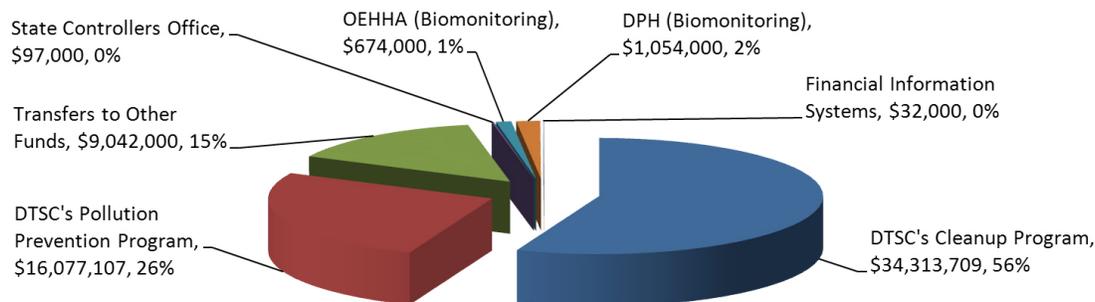
Chart 1: Total TSCA Expenditures for FY 2010/11

Chart 1 breaks down the \$61.29 million spent by DTSC programs, operation transfers, and other state departments.

- \$34.31 million was spent on the Cleanup Program. The TSCA funds the implementation of the State's site cleanup laws, oversight of hazardous substances release site investigations and cleanups, and monitoring of long-term operations and maintenance activities at sites where the clean up process has been completed. These sites include the clean up of abandoned and underutilized properties known as "Brownfields."
- \$16.08 million was spent on the Pollution Prevention Program. This program promotes Safer Consumer Products, hazardous waste source reduction, and environmental technologies through statewide leadership, demonstration projects, and consultation on emerging technologies for the cleanup of hazardous substance release sites to departmental staff, local governments, and regulatory agencies.
- \$9.04 million was transferred to the Site Remediation Account to fund direct site remediation contract costs at orphan and National Priority List (NPL) sites as defined in Section 25337 of the Health and Safety Code (HSC).
- \$0.1 million was spent by the State Controller's Office as the TSCA's share of the 21st Century Project. The 21st Century Project is a collaborative statewide effort that will replace and improve California's human resources/payroll processes and systems.
- \$0.67 million was spent by the Office of Environmental Health Hazard Assessment (OEHHA) to implement the Statewide Biomonitoring Program (SBP) as defined in Senate Bill (SB) 1379 (Chapter 599, Statutes of 2006).

- \$1.05 million was spent by the Department of Public Health (DPH) to implement the SBP as defined in SB 1379.
- \$0.03 million was spent for the Financial Information System.¹

1. When the bulleted items above are summed, a rounding error occurs in the amount of \$0.01 million. Notwithstanding this error, the actual total of TSCA expenditures is \$61.29 million.

Chart 2: Cleanup Program

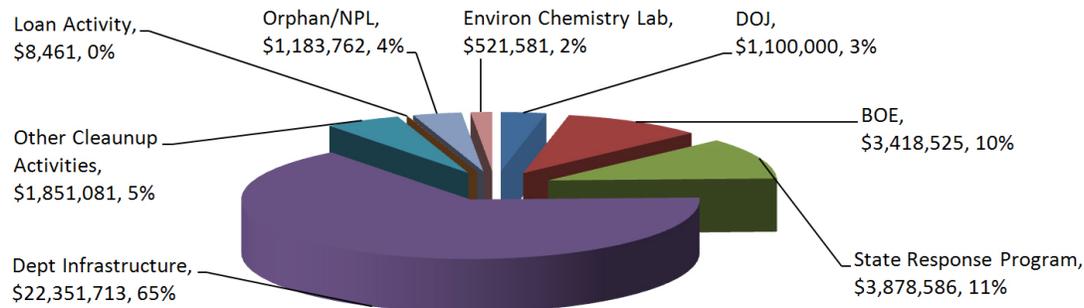


Chart 2 further breaks down the \$ 34.31 million spent by the Cleanup Program for the following activities:

- \$1.1 million was spent by the Department of Justice (DOJ) for support of DTSC's cleanup and cost recovery efforts pursuant to Sections 25300 and 25396 of the HSC.
- \$3.42 million was transferred to the Board of Equalization (BOE) to pay for its collection of the Environmental Fee.
- \$3.88 million was utilized for the State Response Program, which compels responsible parties to perform investigations and cleanup of hazardous substance release sites.
- \$22.35 million in expenditures was allocated to the program for departmental infrastructure, including costs for administrative staff, paid leave, facility leases, other operating expenses, and pro rata (statewide general expenditures).
- \$1.85 million was spent on other cleanup activities including training, supervision and management, risk assessment, grant, legislation and regulation development, contract preparation and administration, and public requests.
- \$0.01 million was used on federal revolving loan programs, which offer low interest loans to clean up urban properties.
- \$0.52 million was spent to support the Environmental Chemistry Laboratory, which include analysis of split samples as a check on commercial laboratory findings, consultation on issues of sampling and analysis, and consultation and participation in public hearings and legal proceedings.
- \$1.18 million was used for oversight at orphan and National Priority List (NPL) cleanup sites.

Chart 3: Pollution Prevention Program

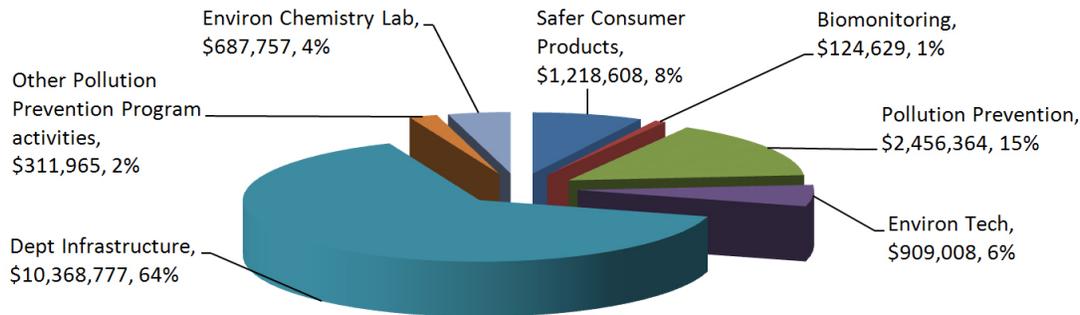


Chart 3 further breaks down the \$16.08 million spent by the Pollution Prevention Program for the following activities:

- \$1.22 million was spent on the implementation of the Safer Consumer Products Regulations which explores the “cradle-to-cradle” approach to protecting public health and the environment from harmful chemicals, by focusing on product design and industrial innovation that reduces the use of harmful chemicals in products and generates fewer emissions and less waste.
- \$0.12 million was used for biomonitoring to implement the State Biomonitoring Program as defined in SB 1379.
- \$2.46 million was spent on pollution prevention, which includes exploring and promoting means of preventing pollution, and encouraging reuse and recycling.
- \$0.91 million was used for environmental technology to evaluate new technologies and alternatives to treat, recycle, clean up, and eliminate or reduce the generation of hazardous waste.
- \$10.37 million was allocated to the program for departmental infrastructure including costs for administrative staff, paid leave, facility leases, and pro rata (statewide general expenditures).
- \$0.31 million was used for other Pollution Prevention Program functions.
- \$0.69 million was used for the management and administration of the Environmental Chemistry Laboratory.

For further information on DTSC's programs, visit our website: www.dtsc.ca.gov