

**STATE OF CALIFORNIA**  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 07/14)

Fiscal Year 2015-16	Business Unit 3960	Department Department of Toxic Substances Control	Priority No. 1
Budget Request Name 3960-101-BCP-BR-2015-MR		Program 3620011 Site Mitigation & Brownfield	Subprogram

Budget Request Description  
 Position Realignment

**Budget Request Summary**  
 The Department of Toxic Substances Control proposes to realign \$2.4 million and 18.0 positions from the Federal Trust Fund to the Toxic Substances Control Account to support oversight of State response and Orphan/National Priority List site cleanup. These positions were to be supported through a cooperative agreement from the Department of Defense, which has not materialized.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR       SPR      Project No.      Date:

If proposal affects another department, does other department concur with proposal?     Yes     No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By <i>[Signature]</i>	Date 5/12/15	Reviewed By <i>[Signature]</i>	Date 5/12/15
Department Director <i>[Signature]</i>	Date 5/12/15	Agency Secretary <i>[Signature]</i>	Date 5/13/15

**Department of Finance Use Only**

Additional Review:     Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Technology Agency

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA	Date submitted to the Legislature
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## Analysis of Problem

### A. Budget Request Summary

The Department of Toxic Substances Control (DTSC) proposes to realign \$2.4 million and 18.0 positions from the Federal Trust Fund (FTF) in the Site Mitigation and Brownfields Reuse Program (SMBRP) to the Toxic Substances Control Account (TSCA) to support oversight of State response and Orphan/National Priority List (NPL) site cleanup. In a fiscal year 2012-13 Finance Letter, DTSC shifted the 18.0 positions from TSCA to FTF to provide anticipated oversight of military site cleanup; however, the increased federal funding has not materialized.

### B. Background/History

The Department of Defense (DoD) and State Memorandum of Agreement/Cooperative Agreement (DSMOA/CA) Program was established pursuant to Section 211 (B) of the Superfund Amendments and Reauthorization Act (SARA), enacted October 1986. The goal of the program is to expedite environmental restoration at DoD installations through partnerships with states. DTSC oversees the investigation and remediation of toxic contamination at the State's open and closed military bases to ensure that the cleanup meets California's environmental regulatory standards. In fiscal year 2012-13, DTSC shifted funding of 18.0 positions from TSCA to the FTF to support a request from DoD to increase resources on military site cleanups so that sites could be transferred early. This anticipated increase in federal funding did not materialize.

DTSC is responsible for investigating and overseeing the cleanup of properties where releases of hazardous chemicals into the soil, soil gas, air, groundwater, and surface water have occurred. When DTSC discovers properties that are contaminated and pose a threat to public health or the environment, DTSC issues enforcement orders, and oversees the cleanup by parties responsible for the contamination. Hazardous substances release sites or properties without financially viable responsible parties are known as "orphan sites". Orphan sites are located throughout California and some of the most common orphan sites are former dry cleaners, metal shops, or abandoned mines. With existing resources, DTSC is able to address approximately 65 of the 127 orphan and NPL sites that have been identified.

### C. State Level Considerations

This proposal is consistent with DTSC's 2014-2018 Strategic Plan:

Goal 1: Ensure DTSC's cleanup efforts protect communities, hold responsible parties accountable, and recover DTSC's costs.

Objective 1.5: Ensure through long-term monitoring, effective and sustainable protection of public health and the environment at cleanup sites where contamination is left in place; and

Objective 1.6: Take effective and legally enforceable actions to compel fulfillment of DTSC ordered or approved cleanup plans when responsible parties fail to perform as required.

### D. Justification

While DTSC has not seen the increased funding from the DSMOA/CA, this proposal will allow DTSC to continue to provide increased oversight of cleanup activities at orphan/NPL sites without impacting other TSCA-funded work. DTSC is proposing to shift expenditure authority from federal funds to TSCA-supported cleanup projects. Shifting \$2.4 million and 18.0 positions from the FTF to TSCA will allow DTSC to continue to support the increasing workload for performing long-term stewardship at State-led NPL sites; specifically, DTSC will conduct oversight of work at EPA lead sites that will eventually become the responsibility of the State, and initiate work to address 62 orphan sites that are not currently subject to investigation and remediation. Many of the orphan sites will be subject to potentially responsible party identification and as a result these sites may be reclassified as Responsible Party lead sites, thereby reducing the State's liabilities through enforcement. Orphan sites will be remediated as funding for those actions comes available.

By realigning these resources within DTSC and transferring expenditure authority to TSCA, DTSC will be better able to contain or remove hazardous materials from some of the most contaminated sites in California. DTSC will be able to reduce the backlog of sites requiring treatment or removal of contaminated soil, treatment of contaminated water, and will return contaminated land back to productive use.

## Analysis of Problem

### E. Outcomes and Accountability

The realignment of expenditure authority will reduce the backlog of orphan/NPL sites requiring further investigation, remedy selection, and removal and remedial actions. These actions will also increase the amount of:

- Groundwater and liquid waste that will be treated.
- Groundwater that is treated and made available as drinking water.
- Contaminated soil and soil waste that will be removed.

DTSC's EnviroStor database tracks the progress of site cleanup with performance metrics on the number of characterizations, remedies, removal or remedial actions, and corrective actions in progress and completed. EnviroStor also tracks the gallons of water treated or removed, the cubic yards of soil treated or removed, and the number of acres of land that is cleaned and available for reuse. DTSC will monitor these performance metrics on a quarterly basis.

### F. Analysis of All Feasible Alternatives

Alternative 1: Shift expenditure authority from the Federal Trust Fund to TSCA as proposed.

Pros:

- Provides needed resources to address the backlog of orphan/NPL sites.
- Provides resources to enhance efforts to identify potentially responsible parties thereby reducing the State's liabilities.
- Reduces the number of hazardous substances release sites in California.
- Will avoid a potential layoff of staff.

Cons:

- Negatively impacts TSCA.
- Does not reduce position authority.

Alternative 2: Reduce federal expenditure authority and do not increase TSCA.

Pros:

- Reduces the State's position footprint.
- Does not negatively impact TSCA.

Cons:

- Does not provide resources to reduce the backlog of hazardous substances release sites.
- Does not provide resources to identify potentially responsible parties.
- May result in layoff.

Alternative 3: Status Quo.

Pro:

- None.

Cons:

- Does not address the excess federal authority.

## Analysis of Problem

- May result in DTSC initiating the layoff process to avoid over expenditure of TSCA.
- Does not reduce the backlog of hazardous substances release sites.
- Does not provide resources to identify potentially responsible parties.

### G. Implementation Plan

June 2015.

- Update duty statements for impacted positions/staff.

### H. Supplemental Information

N/A

### I. Recommendation

DTSC recommends Alternative 1: Shift \$2.440 million and 18.0 positions from federal to TSCA cleanup activities. By realigning the expenditure authority, DTSC will be able to reduce the backlog of hazardous release sites and enhance efforts to identify potentially responsible parties.





