

SEE SAM SECTION 6055 FOR INSTRUCTIONS

DEPARTMENT Air Resources Board	CONTACT PERSON Judith G. Tracy	PHONE NUMBER 322-2884
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TITLE/DESCRIPTION OF REGULATION/ORDER

Titles 17 and 26 Air Toxics Hot Spots Emission Inventory Criteria and Guidelines

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and complete if necessary)

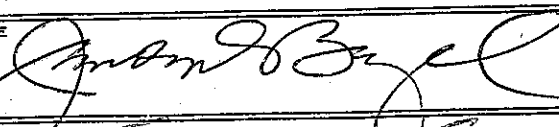
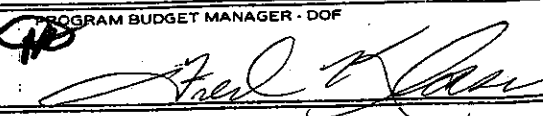
- ☐ 1. Additional expenditures of approximately \$ _____ annually which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:
- ☐ a. is provided in (Item _____ Budget Act of _____) or (Chapter _____ Statutes of _____)
- ☐ b. will be requested in the _____ Governor's Budget for appropriation in Budget Act of _____ (FISCAL YEAR)
- ☐ 2. Additional expenditures of approximately \$ _____ annually which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:
- ☐ a. implements the Federal mandate contained in _____
- ☐ b. implements the court mandate set forth by the _____ court in the case of _____ vs. _____
- ☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. _____ at the _____ (DATE) election;
- ☐ d. is issued only in response to a specific request from the _____ which is/are the only local entity(s) affected;
- ☐ e. is more appropriately financed from the _____ (FEES, REVENUE, ETC.) authorized by Section _____ of the _____ Code;
- ☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.
- ☒ 3. Savings of approximately \$ 47,800 ~~XXXXX~~ every four years for affected local government facilities.
- ☐ 4. No additional costs or savings because this regulation makes only technical, nonsubstantive or clarifying changes to current law and regulations.
- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.
- ☐ 6. Other _____

B. FISCAL EFFECT ON STATE GOVERNMENT (Indicate appropriate boxes 1 through 4 and complete if necessary)

- ☐ 1. Additional expenditures of approximately \$ _____ annually. It is anticipated that State agencies will:
- ☐ a. be able to absorb these additional costs within their existing budgets and resources.
- ☐ b. request supplemental funding by means of "Budget Change Proposals" for the _____ fiscal year.
- ☒ 2. Savings of approximately \$ 6,600 ~~XXXXX~~ every four years for affected state facilities.
- ☐ 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- ☐ 4. Other _____

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS (Indicate appropriate boxes 1 through 4 and complete if necessary)

- ☐ 1. Additional expenditures of approximately \$ _____ annually.
- ☐ 2. Savings of approximately \$ _____ annually.
- ☐ 3. No fiscal impact exists because this regulation does not affect any federally funded State program or agency.
- ☐ 4. Other _____

SIGNATURE 	TITLE Executive Officer
AGENCY SECRETARY'S APPROVAL/CONCURRENCE 	DATE 3/27/96
DEPARTMENT OF FINANCE APPROVAL/CONCURRENCE 	DATE 4/8/96

AIR RESOURCES BOARD

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**MEMORANDUM**

TO: Frank Moore
Budget Analyst
Department of Finance

FROM: Judith G. Tracy *Judith G. Tracy*
Staff Counsel

DATE: March 13, 1996

SUBJECT: AIR TOXICS "HOT SPOTS" CRITERIA AND GUIDELINES:
STATE COSTS

On June 13, 1996, the Air Resources Board (ARB) will conduct a public hearing to consider the adoption of amendments to its Emission Inventory Criteria and Guidelines Regulation pursuant to the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (Act) (Statutes 1987, chapter 1252; Health and Safety Code Section 44300 et seq.). This Act establishes a program to develop a statewide inventory of site-specific air toxic emissions of over 700 substances in order to assess the risk to public health from exposure to these emissions and to notify the public of any significant health risk discovered.

The existing regulation, which sets forth minimum requirements for preparing the emission inventory plans and reports, applies to any facility which manufactures, formulates, uses, or releases any of the substances or precursors to such substances referenced in the Act and adopted by ARB, and which releases ten tons per year or more of any one of the following four criteria pollutants: total organic gases, sulfur oxides, nitrogen oxides, and particulate matter (17 CCR, Sections 93300-93355 and Appendices A-E). The regulation also applies to specific classes of facilities which release less than ten tons per year of the four criteria pollutants and are listed in Appendix E of the regulation. Facilities are also subject to the regulation if they are listed in any current toxics survey, inventory, or report compiled by a district and set forth in Appendix B to 17 CCR, Sections 90700-90705. Separate from the proposed amendments to the Emission Inventory Criteria and Guidelines Regulation, ARB will also be proposing amendments to the Air Toxics "Hot Spots" Fee Regulation (17 CCR Sections 90700-90705 and Appendices A and B).

The proposed amended Emission Inventory Criteria and Guidelines regulation substantially reduces the numbers of facilities required to report and also provides options other



than the current update requirements for affected facilities. These changes are expected to substantially reduce costs and burdens to facilities while still maintaining the effectiveness of the program.

Government Code Section 11346.5(a)(6) requires ARB to include in its notice of proposed adoption of the amended regulation, an estimate of the cost or savings to any State agency, the cost to any local agency or school district that is required to be reimbursed pursuant to Government Code Section 17500 et seq., other nondiscretionary costs or savings to local agencies, and the cost or savings in federal funding to the State. The State Administrative Manual in turn requires ARB to attach Standard Form 399, the Fiscal Impact Statement to the face sheet for filing administrative regulations (SAM Section 6055), and to obtain the concurrence of the Department of Finance when specified fiscal effects are anticipated (SAM Section 6056). Requests for concurrence are to be forwarded to your agency at least 30 days prior to the date when the rulemaking notice will be issued (SAM Section 6056).

Because ARB has identified savings to State and local agencies which will occur as a result of the proposed regulation, we are forwarding our savings estimates to you for concurrence. The total estimated savings to affected State and local agencies resulting from the proposed regulation is \$54,400.

The proposed amended regulations will be set forth in Title 17 of the California Code of Regulations, Section 93300 et seq.

Should you wish to discuss any technical issues regarding the attached document which sets forth our cost savings, please contact Mr. Richard Bode at 322-3807. If you have any other questions, please feel free to call me at 322-2884.

Attachments

ATTACHMENT

COST SAVINGS FOR LOCAL AND STATE FACILITIES

A. INTRODUCTION

This analysis estimates the Cost savings to local and State government facilities resulting from the proposed amendments to the Emission Inventory Criteria and Guidelines Regulation (the Guidelines Regulation), 17 California Code of Regulations sections 93300-93355. The proposed amendments to the Guidelines Regulation reduce the update reporting requirements for facilities subject to the Air Toxics Hot Spots program and exempt others from reporting requirements entirely. For both public and private facilities subject to the program, these reduced reporting requirements will result in a cost savings.

The proposed amendments to the inventory regulation categorize facilities into "high", "intermediate", and "low" levels. These levels are based on facilities' actual risk assessment results, or, if risk values have not been determined, on prioritization scores calculated by the local air districts. The proposed amendments will no longer require reporting by low level facilities, those with low or insignificant risk. Consequently, those facilities would not be expected to incur any costs to comply with emission inventory update requirements. The staff anticipates that 45-55 percent of the total number of facilities currently in the program will be designated as "exempt" from reporting requirements.

The proposed amendments would require districts to track the facility activity of intermediate level facilities. Districts can track facilities through continued reporting of activity changes using the two-page Update Summary Form. Districts will also be given the flexibility to collect equivalent data through alternative district reporting programs, such as the criteria pollutant emission inventory process. This would avoid duplicate data collection and would reduce costs to facilities complying with the update reporting requirements.

The proposed amendments will not change the four year update reporting requirements for high level facilities, those facilities whose emissions produce significant levels of risk to public health. Significant risk facilities represent approximately five percent of all facilities currently in the program. High level facilities will continue to submit air toxics emission inventory updates via the Hot Spots reporting forms. However, the proposed amendments will give districts greater flexibility in collecting emissions data from these high risk facilities.

If a significant risk facility has been required by district staff to conduct a Risk Reduction Audit and Plan, the district staff may use the Risk Reduction Audit and Plan reporting requirements in lieu of the Hot Spots reporting forms.

To insure that public health is protected, districts can reinstate reporting requirements for a previously exempted low or intermediate level facility if a district determines that a "significant change" in facility activity or emissions has occurred.

For facilities that do not yet have prioritization scores assigned by the district, the proposed amendments initially categorize them at the intermediate risk level. Unprioritized facilities will complete the Update Summary Form or alternatively districts may integrate this reporting with other district reporting programs. As these facilities are prioritized, they will be placed in the program at their designated level of risk.

B. COST SAVINGS FOR LOCAL GOVERNMENT

1. COMPLIANCE COSTS

Compliance costs are the costs to local government facilities to satisfy their four year update reporting requirements.

a. STATEMENT OF THE MANDATE

The current regulation requires local government facilities that are subject to the Air Toxics Hot Spots program to update their emission inventory or activity every four years. Update requirements are based on a facility's prioritization score. High priority - significant risk facilities must now report all changes from their previous emission inventory through the preparation and submittal of full update plans and reports. The report consists of a facility information form and three additional forms to be completed for each emission device showing changes. While a small number of facilities have the necessary staff to prepare update plans and reports in-house, most facilities rely upon consultants to do the work. Therefore, the primary costs of update reporting are fees paid to consultants to prepare update plans and reports. Source testing to determine emissions can also add cost to the reporting process. However, facilities can use valid data from previous source tests and do not need to do retesting to complete their update reporting. Additional source testing should only be

necessary if a facility substantially changes its operation, such as installing new types of equipment, and only if previously conducted source test data are not available.

The current regulation also requires high priority, non-significant risk facilities to complete the two-page Update Summary Form except, if a significant change has occurred, high priority facilities are required to complete a full air toxics emission inventory. Intermediate and low priority facilities complete only the Update Summary Form.

The program has now matured to the point that local air districts administering it have generally been able to determine the potential health risks posed by the larger facilities. Thus, reporting requirements of the program can now focus on facilities that have a high level of risk associated with their operations, activities, and emissions. The proposed amendments would allow this.

The proposed amendments will exempt local government facilities with a low level of risk from further emissions reporting and they will therefore not incur any compliance costs. This will result in substantial cost savings to these facilities. Intermediate level facilities will be tracked by the local districts through the two-page Update Summary Form or through other existing reporting programs. This change has the potential to result in further cost savings for these facilities. If districts use alternative tracking methods, such as the annual criteria pollutant emission inventory process, this would provide an integrated data collection process and further lower costs to facilities by eliminating duplicate reporting.

High level significant risk facilities will retain the current reporting requirements. Those with very high risks requiring Risk Reduction Audit and Plans can integrate reporting into their risk reduction reporting requirements to avoid duplicate data collection, which will consequently lower their costs.

b. ASSUMPTIONS

Affected local government facilities are air, water, and solid waste facilities; elementary and secondary schools; general government agencies; general medical/surgical hospitals; and Publicly

Owned Treatment Works (POTWs). Many of these facilities will be exempt from reporting requirements because they are low risk and fall into the low level group. They will therefore not incur any compliance costs. Most, if not all, of these facilities were previously required to complete the Update Summary Form to satisfy their update requirements. The staff estimates the average cost to prepare and submit an Update Summary Form is approximately \$200, because it can usually be completed in-house without the assistance of consultants. Therefore, low level facilities will save \$200 every four years because they will be exempted from reporting requirements. In addition, because the program is maturing and most facilities have already been required to submit at least one Update Summary Form, the staff estimates the average cost for facilities to prepare and submit a second Update Summary Form will be reduced because of the facility's greater understanding and experience with the form. Discussions with staff at several State government facilities confirm that the workload needed to complete the update reporting is expected to decrease by 10 to 30 percent due to greater understanding and experience with the process. The staff estimates that approximately 30 percent of the local government facilities will be exempted from the program because they will be designated low level facilities.

Most other facilities will fall into the intermediate level group, and their emissions and activities will now be tracked by the local districts. Initially, the staff expects most districts to track facilities through the Update Summary Form. Most, if not all of these facilities are currently required to submit the Update Summary Form, and therefore the proposed amendments will not result in any additional savings or costs. However, even greater savings would result from those districts that integrate update reporting requirements with other district reporting requirements, especially criteria pollutant emission reporting. The staff estimates that initially approximately 50 percent of districts will integrate their reporting programs. This integrated data collection process would result in a \$200 cost savings per affected facility. Ultimately, the staff estimates that almost all districts will move to an integrated data collection process, especially as computer software now being developed by ARB becomes available.

High risk facilities will still be required to update their emission inventories every four years, so their costs are not expected to be reduced. The highest risk facilities are required by the Act to complete Risk Reduction Audits and Plans. The proposed amendments will allow facilities the flexibility to use their Risk Reduction emissions reporting to fulfill their four-year update reporting requirement, thereby eliminating the need for further, and potentially duplicative, reporting. However, since only a small number of facilities are expected to have risks high enough to require a Risk Reduction Audit and Plan, this will only benefit a small number of facilities.

Currently, unprioritized local government facilities are required only to complete two-thirds of the Update Summary Form. The proposed amendments would treat unprioritized facilities in the same manner as intermediate facilities, requiring them to complete the entire Update Summary Form. While this may result in some small increased cost to these facilities, the staff estimates that the number of facilities left unprioritized within the next 12 months will be very small, and soon it will be zero.

c. ESTIMATES OF COST SAVINGS

The following cost savings estimates are based on the foregoing assumptions. The costs are based on the most current data for the number of facilities in each local government category and the number of significant risk facilities, as discussed below.

(1) Air, Water and Solid Waste Facilities

There are 191 air, water and solid waste facilities in the program. Of these, approximately 60 facilities would be considered low risk and therefore exempt from reporting requirements. Savings for this group is estimated to be \$12,000.

Sixty facilities would have an intermediate level of risk and would fall into the tracking category. Initial savings for this group are estimated to be \$6,000, assuming that 50 percent of the facilities can integrate their update reporting into other district programs within the next 18 months. It is expected that ultimately (perhaps within the next three years) another 40

percent of the facilities will integrate their reporting with other district programs, resulting in a total savings of \$4,800 for this group.

Approximately 70 facilities have a high level of risk and would be required to prepare an update plan and report. There would be no cost savings for this group. Currently, none of these facilities is expected to complete a Risk Reduction Audit and Plan, so further savings are not expected.

Total estimated savings to the air, water, and solid waste facilities is \$18,000 within the next 18 months and \$22,800 within three years.

(2) Elementary and Secondary Schools

There are ten elementary and secondary schools in the program, and all of these would be exempt from reporting requirements. None of the schools are in the intermediate or high risk level groups.

The total estimated savings to elementary and secondary schools is \$2,000.

(3) General Government

There are 55 general government facilities in the program. These general government facilities include facilities associated with public transit districts, municipal airports, and general municipal maintenance agencies. Of these, 22 facilities would be in the low level group and exempt from reporting requirements. Savings for this group are estimated to be \$4,400.

Eleven facilities would be in the intermediate group and could submit Update Summary Forms to satisfy their update reporting requirements. Using the same assumptions that 50 percent of these facilities will integrate their update reporting within the next 18 months, savings for this group would initially amount to \$1,000. Ultimately, assuming another 40 percent of the facilities will integrate their reporting with other district programs within the next three years, an additional

savings of \$1,000 would result. The total savings for this group would be \$2,000.

Twelve facilities have a high level of risk and would be required to prepare update plans and reports. There would be no cost savings for this group. Because districts must calculate the risks of these facilities, we cannot determine how many would have risks high enough to be required to complete a Risk Reduction Audit and Plan. The total estimated savings to general government facilities is \$6,400.

(4) General Medical/Surgical Hospitals

The staff is aware of 16 general medical/surgical hospitals in the program. Of these, two facilities would be in the low level group and exempt from reporting requirements. Savings for this group are estimated to be \$400.

Two facilities would be in the intermediate group and could submit Update Summary Forms to satisfy their update reporting requirements. Using the same assumptions for integrating data reporting programs, an initial savings of \$200 would result and, within the next three years, an additional savings of \$200 would result. The total savings for this group are estimated to be \$400.

Twelve facilities are high level and would be required to prepare update plans and reports. There would be no cost savings for this group. Because districts must calculate the risks of these facilities, we cannot determine how many would have risks high enough to be required to complete a Risk Reduction Audit and Plan.

The total estimated savings to the general medical/surgical hospitals is \$800.

(5) Publicly Owned Treatment Works (POTWs)

Publicly Owned Treatment Works (POTWs) are public agency-operated facilities that treat municipal wastewater. The staff is aware of 115 POTWs in the program. Of these, 38 would be low level facilities and exempt from reporting requirements. Savings for this group are estimated to be \$7,600.

Forty-six facilities would be in the intermediate group and could submit Update Summary Forms to satisfy their update reporting requirements. Using the same assumptions for integrating data reporting programs, an initial savings of \$4,600 would occur and, ultimately, another \$3,600 in savings would occur. This creates an estimated savings of \$8,200 for the intermediate level group.

Currently, 31 facilities are high level and would be required to prepare update plans and reports. There would be no cost savings for this group. Because districts must calculate the risks of these facilities, we cannot determine how many would have risks high enough to be required to complete a Risk Reduction Audit and Plan.

The total estimated savings to POTWs is \$15,800.

2. LOCAL AIR POLLUTION CONTROL DISTRICTS

The proposed amendments to the regulation will exempt low risk facilities from further reporting, resulting in fewer two-page Update Summary Forms for local districts to review. Therefore, these reduced reporting requirements will allow district staff to focus their review on higher risk facilities, without the need for additional resources. The proposed amendments will also allow districts to integrate Hot Spots emission reporting with other district data reporting programs, thereby allowing program consolidation and conserving district resources.

3. CONCLUSIONS

In general, the amended update procedures will reduce costs to local government facilities complying with the Guidelines Regulation. These savings are reflected in the figures provided below.

SUMMARY OF ESTIMATED COST SAVINGS TO LOCAL GOVERNMENT

<u>Local Facility</u>	<u>Estimated Savings</u>
a. Air, Water and Solid Waste	22,800
b. Elementary and Secondary Schools	2,000
c. General Government	6,400
d. General Medical/Surgical Hospitals	800
e. POTWs	<u>15,800</u>
TOTAL ESTIMATED SAVINGS TO LOCAL GOVERNMENT	\$47,800

Publicly Owned Treatment Works (POTWs) carry out a uniquely governmental function, as the overwhelming number of treatment works are publicly owned. Nevertheless, their costs of compliance with the proposed regulation are not reimbursable by the State within the meaning of Article XIII B, section 6 and Government Code sections 17500 et seq., because POTWs are authorized by enabling statutes to levy service charges to cover the costs associated with the mandated program.

Elementary and secondary schools' costs of compliance with the regulation are not reimbursable by the State within the meaning of Article XIII B, section 6 and Government Code sections 17500 et seq., because the school district has the authority to levy assessments sufficient to pay for the program mandated by this act.

Other local government facilities' cost of compliance with the amended regulation should be absorbable within existing budgets and resources of the facilities incurring these costs.

4. SOURCES OF WORKING DATA

Amendments to the Emission Inventory Criteria and Guidelines Regulation pursuant to the Air Toxics "Hot Spots" Information and Assessment Act of 1987, ARB, June, 1993.

List of risk assessment status, "All Risk Assessments = Chronological Order," OEHHA, January 13, 1993.

Facility Risk, or Prioritization Score, Data Provided to the Stationary Source Division of the Air Resources Board by the Air Pollution Control and Air Quality Management Districts for the Fee Regulation Associated With the Air Toxics Hot Spots Program, Fiscal Year 1995-96.

Air Toxics Emission Data System - Inventory year 1993 (as of 3-4-96).

C. COST SAVINGS FOR STATE GOVERNMENT

1. COMPLIANCE SAVINGS

Compliance costs are the costs to State government facilities to satisfy their four year update reporting requirements.

a. STATEMENT OF THE MANDATE

The current regulation requires State government facilities that are subject to the Air Toxics Hot

Spots program to update their emission inventories or activity every four years. Update requirements are based on a facility's prioritization score. High priority - significant risk facilities report all changes from their previous emission inventories through the preparation and submittal of full update plans and reports which consist of a facility information form and three additional forms to be completed for each emission device showing changes. While a small number of facilities have the necessary staffs to prepare update plans and reports in-house, most facilities rely upon consultants to do the work. Therefore, the primary costs of update reporting are fees paid to consultants to prepare update plans and reports. Source testing to determine emissions can also add cost to the reporting process. However, facilities can use valid data from previous source tests and do not need to do retesting to complete their update reporting. Additional source testing should only be necessary if a facility substantially changes its operation, such as installing new types of equipment, and only if previously conducted source test data are not available.

The current regulation also requires high priority, non-significant risk facilities to complete the two-page Update Summary Form, except, if a significant change has occurred, high priority facilities are required to complete a full air toxics emission inventory. Intermediate and low priority facilities complete only the Update Summary Form.

The program has now matured to the point that local air districts administering it have generally been able to determine the potential health risks posed by the larger facilities. Thus, reporting requirements of the program can now focus on facilities that have a high level of risk associated with their operations, activities, and emissions. The proposed amendments would allow this.

The proposed amendments will exempt State government facilities with a low level of risk from further emissions reporting and they will therefore not incur any compliance costs. This will result in substantial cost savings to these facilities. Intermediate level facilities will be tracked by the local districts through the two-page Update Summary Form or through other existing reporting programs. This change has the

potential to result in further cost savings for these facilities. If districts use alternative tracking methods, such as the annual criteria pollutant emission inventory process, this would provide an integrated data collection process and further reduce costs to facilities by eliminating duplicate reporting.

High level significant risk facilities will retain the current reporting requirements. Those with very high risks requiring Risk Reduction Audit and Plans can integrate reporting into their risk reduction reporting requirements to avoid duplicate data collection, which will consequently lower costs.

b. ASSUMPTIONS

Affected State government facilities include State colleges and universities, correctional institutions, general government agencies, general medical/surgical hospitals, and psychiatric hospitals. Many facilities will be exempt from reporting requirements because they are low risk and fall into the low level group. They will therefore not incur any compliance costs. Most, if not all of these facilities were previously required to complete the Update Summary Form to satisfy their update requirements. The staff estimates the average cost to prepare and submit an Update Summary Form is approximately \$200, because it can usually be completed in-house without the assistance of consultants. Therefore, low level facilities will save \$200 every four years because they will be exempted from reporting requirements. In addition, because the program is maturing and most facilities have already been required to submit at least one Update Summary Form, the staff estimates the average cost for facilities to prepare and submit a second Update Summary Form will be reduced because of the facility's greater understanding and experience with the form. Discussions with staff at several State government facilities confirm that the workload needed to complete the update reporting is expected to decrease by 10 to 30 percent due to greater understanding and experience with the process. Staff estimates that approximately 30 percent of the State government facilities will be exempted from the program because they will be designated low level facilities.

Most other facilities will fall into the intermediate level group and their emissions and

activities will now be tracked by the local districts. Initially, the staff expects most districts to track facilities through the Update Summary Form. Most, if not all, of these facilities are currently required to submit the Update Summary Form, and therefore the proposed amendments will not result in any additional savings or costs. However, even greater savings would result from those districts that integrate update reporting requirements with other district reporting requirements, especially criteria pollutant emission reporting. The staff estimates that initially approximately 50 percent of districts will decide to integrate their reporting programs within the first 18 months. This integrated data collection process would result in a \$200 cost savings per affected facility. Ultimately, the staff estimates that almost all districts will move to an integrated data collection process, especially as computer software currently being developed by ARB becomes available.

High risk facilities will still be required to update their emission inventories every four years, so their costs are not expected to be reduced. The highest risk facilities are required by the Act to complete Risk Reduction Audits and Plans. The proposed amendments will allow facilities the flexibility to use their Risk Reduction emissions reporting to fulfill their four-year update reporting requirement, thereby eliminating the need for further, and potentially duplicative, reporting. However, since only a small number of facilities are expected to have risks high enough to require a Risk Reduction Audit and Plan, this will only benefit a small number of facilities.

Currently, unprioritized State government facilities are required only to complete two-thirds of the Update Summary Form. The proposed amendments would treat unprioritized facilities in the same manner as intermediate facilities, requiring them to complete the entire Update Summary Form. While this may result in some small increased cost to these facilities, the staff estimates that the number of facilities left unprioritized within the next 12 months will be very small, and soon it will be zero.

c. ESTIMATES OF COST SAVINGS

The following cost savings estimates are based on the foregoing assumptions. The costs are based

on the most current data for the number of facilities in each State government category and the number of significant risk facilities, as discussed below.

(1) University of California and California State University

There are 31 campuses in the University of California and California State University systems currently in the program. Of these, 11 campuses would be considered low risk and therefore exempt from the program. Savings for this group would amount to \$2,200.

Eleven campuses would have an intermediate level of risk and would fall into the tracking category. Initial savings for this group is estimated to be \$1,200 assuming that 50 percent of the facilities can integrate their update reporting into other district programs within the next 18 months. It is expected that ultimately (perhaps within the next three years) another 40 percent of the facilities will integrate their reporting with other district programs resulting in an additional savings of \$800 for this group.

Currently, there are nine facilities classified as having a high level of risk that would be required to prepare an update plan and report. There would be no cost savings for this group. Because the districts must calculate the risks of these facilities, we cannot determine how many would have risks high enough to be required to complete a Risk Reduction Audit and Plan.

The total estimated savings to colleges and universities is \$4,200.

(2) State Hospitals (Department of Developmental Services, Department of Mental Health)

There are ten hospitals in the State system that participate in the program. Of these, one hospital would be considered low risk and therefore exempt from the program. Savings for this group would amount to \$200. Four hospitals would be in the intermediate group and could submit Update Summary Forms to satisfy their update reporting requirements. Using the same assumptions that 50 percent of these facilities will

integrate their update reporting within the next 18 months, savings for this group would initially amount to \$400. Ultimately, assuming another 40 percent of the facilities will integrate their reporting with other district programs within the next three years, an additional savings of \$400 would result. The total savings for the intermediate group would be \$800.

Five of the hospitals have a high level of risk and would be required to prepare update plans and reports. There would be no cost savings for this group. Because the districts must calculate the risks of these facilities, we cannot determine how many would have risks high enough to be required to complete a Risk Reduction Audit and Plan.

The total estimated savings to State hospitals is \$1,000.

(3) Department of Corrections

There are 15 correctional institutions in the program. Of these, three facilities would be in the low level group and exempt from reporting requirements. Savings for this group are estimated to be \$600. Four facilities would be in the intermediate group and could submit Update Summary Forms to satisfy their update reporting requirements. Using the same assumptions that 50 percent of these facilities will integrate their update reporting within the next 18 months, initial savings for this group are estimated to be \$400. Ultimately, assuming another 40 percent of the facilities will integrate their reporting with other district programs within the next three years, an additional savings of \$400 would result. The total savings for the intermediate group would be \$800.

The total estimated savings to the Department of Corrections is \$1,400.

2. CONCLUSIONS

In general, discussions with the staff of other State agencies indicate that the amended update procedures will reduce costs. These savings are reflected in the figures provided below. The State's cost of compliance with the amended regulation should be absorbable within existing budgets and resources of the facilities incurring these costs.

SUMMARY OF ESTIMATED STATE COST SAVINGS

<u>State Facility</u>	<u>Estimated Savings</u>
a. Universities and Colleges	\$4,200
b. State Hospitals	\$1,000
c. Department of Corrections	<u>\$1,400</u>
TOTAL ESTIMATED STATE SAVINGS	\$6,600

3. SOURCES OF WORKING DATA

List of risk assessment status, "All Risk Assessments = Chronological Order," OEHHA, January 13, 1993.

Facility Risk, or Prioritization Score, Data Provided to the Stationary Source Division of the Air Resources Board by the Air Pollution Control and Air Quality Management Districts for the Fee Regulation Associated With the Air Toxics Hot Spots Program, Fiscal Year 1995-96.

Air Toxics Emissions Data System - Inventory year 1993 (as of 3-4-96).

Phone conversations with health and safety officers administrators, University of California. March 1996.

Phone conversations with health and safety officers administrators, California State University, March 1996.

Phone conversations with plant operators for Department of Developmental Services, Department of Mental Health. March 1996.

Phone conversation with Steve Woycheshin, Department of Corrections. March 1996.