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Department of
Toxic Substances
Control



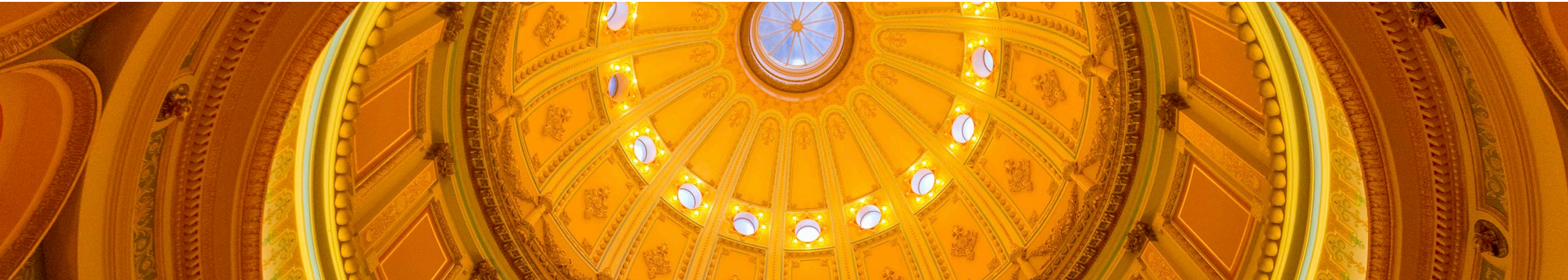
AUGUST 27, 2025

MARCUS RAYMOND

2025-26 Fiscal Year

Fee Rate Recommendations

(G&H Fee, Facility Fee, and Environmental Fee)



BES Fee Subcommittee Members

- **Board Chair** - Andrew Rakestraw
- **Board Member** - Sushma Bhatia

BES Support Staff:

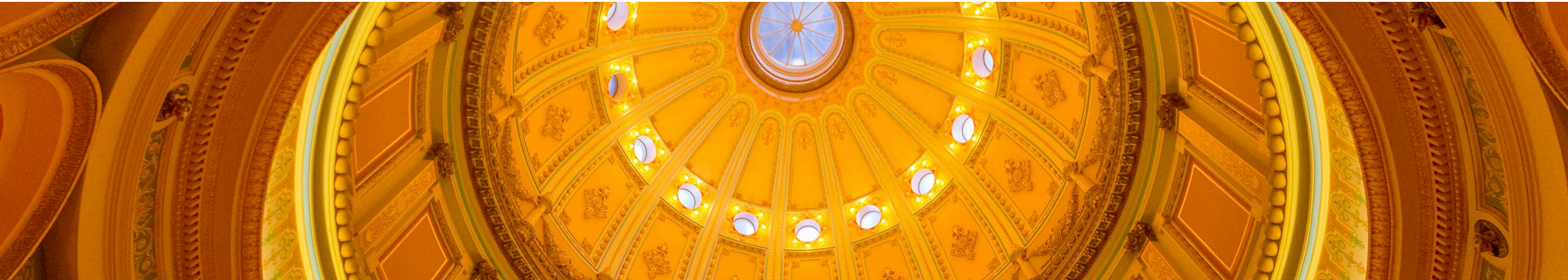
- Executive Officer - Swati Sharma
- Board Legal Counsel - Greg Forest
- Environmental Program Manager - Ferdous Pourmirza
- Senior Staff Engineer - Linda Ocampo
- Senior Staff Scientist – Marcus Raymond
- Board Specialist – Courtney Bailey

Purpose

- ❑ Fee Rate Setting Overview
- ❑ Adjustment of Fee Rate Limits
- ❑ Fee Rate Recommendations



Fee Rate Setting Overview



Fee Types and Accounts

Fee revenues are deposited into one of three fund accounts:

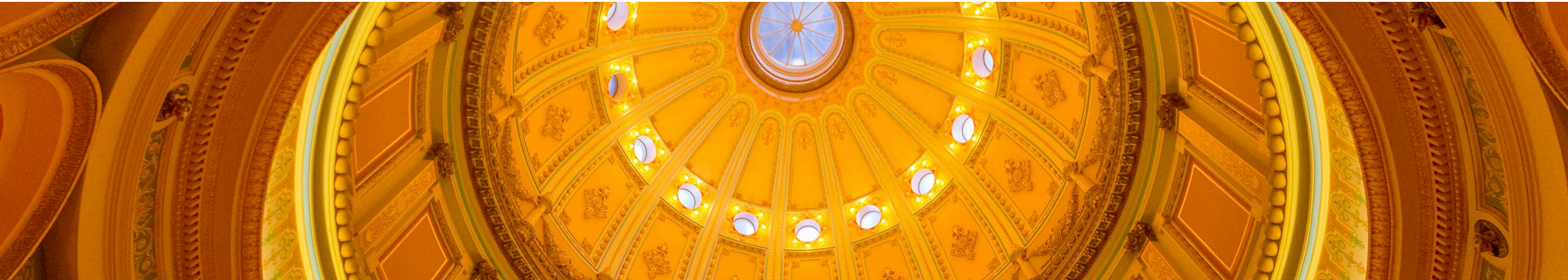
Fee Type	Account
Generation & Handling Fee	Hazardous Waste Control Account (HWCA)
Facility Fee	Hazardous Waste Facility Account* (HWFA)
Environmental Fee	Toxic Substance Control Account (TSCA)

** Currently a HWCA sub-account*

Statutory Factors Used to Set Fee Rates

- **Fund Balance-** Over or under collection of revenue during the preceding year
- **DTSC Expenditures**
 - **Appropriations set by the Legislature-** intended to enable DTSC to deliver on its mandate
 - **Administrative costs-** budgeted by DTSC, including costs to administer and collect fees
- **Responsible Reserve-** not to exceed 10% of expenditure levels
- **Fee Rate Limits** - these are adjusted annually to reflect changes in the cost of living

Adjustment of Fee Rate Limits



Fee Rate Limits

- Fee rate “limits” or “caps” are the **maximum** allowable rates
- Starting in 2024–25 fiscal year, the rate limits will be **adjusted annually based on the previous year’s cost of living changes** reflected by the Consumer Price Index (CPI)*

**as set forth in HSC 25205.6.1(c)(2), 25205.5.01(c)(2), and 25205.2.1(c)(2)*

FY25-26 Adjustment of Fee Rate Limits

- Fee rate limits are adjusted based on the difference in Consumer Price Index (CPI) from June 2024 to June 2025
 - CPI is determined by the Department of Industrial Relations (DIR)
- 2025 CPI change computed by the Department of Industrial Relations = **3.0% increase**
 - Adjusted fee rate limits are included in the appendix section of this presentation

Cost of Living Adjustments - Fee Rates vs Fee Rate Limits

Fee Rates

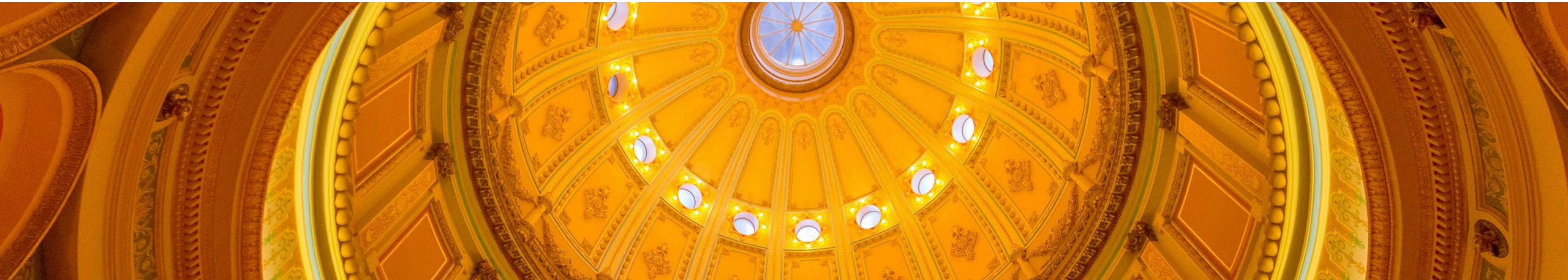
- Cost of living changes are factored in during account budget development
- Annual budget informs of the fee revenues necessary to maintain account solvency

Fee Rate Limits

- Fee rate limit is the maximum amount a fee can be increased by the Board. These are adjusted annually to reflect the cost-of-living changes measured by the CPI



FY25-26 Fee Rate Recommendations



HWCA Structural Deficit

Contributing factors

- A static fee structure
- Inaccurate hazardous waste data sources
- Non- or late payment of fees
- Penalty for non- or late payment set too low (i.e., 10% plus interest)
- Misapplication of fee exemptions

G&H Fee Scenarios

Projected HWCA fund balance w/ no fee increase = \$10.6 M (8.1%)

Scenarios

	Scenario #1 <i>8% Reserve</i>	Scenario #2 <i>8.1% Reserve</i>	Scenario #3 <i>9% Reserve</i>	Scenario #4 <i>10% Reserve</i>
Additional Revenues Required	-\$73,847	\$0	\$1,248,153	\$2,570,153
Required Fee Rate	\$59.96	\$60.05	\$61.10	\$62.24
Rate Difference	-\$0.09	\$0.00	\$1.05	\$2.19
Percentage of Rate Change	-0.2%	0.0%	1.7%	3.7%

FY2024/25 fee rate: \$60.05/ton
FY2025/26 fee limit: \$104.80

Facility Fee Scenarios

Projected HWFA fund balance w/ no fee increase = \$4.3 M

Scenarios	Scenario #1	Scenario #2	Scenario #3
	6% Reserve	8% Reserve	10% Reserve
Additional Revenues Required	-\$3,200,153	-\$2,850,153	-\$2,500,153
Percent of Change Revenues Required	-22.7%	-20.2%	-17.7%

Environmental Fee Scenarios

Projected TSCA fund balance = 16.8 M (13.9%)

Scenarios	Scenario #1	Scenario #2	Scenario #3
	6% Reserve	8% Reserve	10% Reserve
Additional Revenues Required	-\$9,558,000	-\$7,144,000	-\$4,730,000
Percent Change of Revenues Required	-8.3%	-6.1%	-3.9%

Fee Rate Setting Timeline

August Board Meeting

Board Adopts Fee Rates
& Fee Rate limit

September

Emergency
Rulemaking Process

October 1

BES notifies CDTFA of
Adopted Rates and
Caps

Staff Recommendation & Resolution Proposal

- **BES Staff Recommendation:**
 - For the G&H fee, we recommend the 10% reserve scenario.
 - For the Facility fee, we recommend the 10% reserve scenario.
 - For the Environmental fee, we recommend the 10% reserve scenario.
- **Resolution:** Approve new fee rates and adjust fee limits with regulatory language changes as shown in the public notice in the meeting materials for the emergency rulemaking process.

Q&A

Appendix

- 1) FY2025-26 Fee Rate Limits
- 2) G&H Fee Scenarios Calculations
- 3) Facility Fee Scenarios Calculations
- 4) Environmental Fee Scenarios Calculations
- 5) Contact Information
- 6) Resources

G&H Fee Limit

<u>Fee Rate Limit</u>		
	FY24/25 Limit	FY25/26 Limit
Per ton	\$101.75	\$104.80

*FY25/26 limits adjusted by 3.0%

Environmental Fee Limits

<u>Fee Rate Limits</u>		
Business Size	FY24/25 Limit	FY25/26 Limit
Less than 100 employees	0	\$0
100 but less than 250 employees	\$2,605	\$2,683
250 but less than 500 employees	\$5,591	\$5,758
500 but less than 1,000 employees	\$33,056	\$34,048
1,000 or more employees	\$111,771	\$115,124

*FY25/26 limits adjusted by 3.0%

Facility Fee Limits

Fee Rate Limits		
Full Permit	FY24/25	FY25/26
Base Rate	\$196,084	\$201,967
Disposal Facility	\$1,960,841	\$2,019,666
Large Onsite/Offsite Treatment Facility	\$588,252	\$605,900
Small Treatment Facility	\$392,168	\$403,933
Mini Treatment Facility	\$98,042	\$100,983
Large Storage Facility	\$392,168	\$403,933
Small Storage Facility	\$196,084	\$201,967
Mini Storage Facility	\$49,021	\$50,492

Post-Closure Permits	FY24/25 (≤ 5 yrs)	FY25/26 (≤ 5 yrs)
Small Facility	\$55,741	\$57,413
Med Facility	\$111,481	\$114,826
Large Facility	\$167,222	\$172,239
	FY24/25 (> 5 yrs)	FY25/26 (> 5 yrs)
Small Facility	\$29,699	\$30,590
Med Facility	\$59,398	\$61,179
Large Facility	\$100,304	\$103,313

Fee Rate Limits		
Series A-C Standardized Permits	FY24/25 Limit	FY25/26 Limit
Series A	\$114,208	\$117,635
Series B	\$53,530	\$55,136
Series C	\$44,956	\$46,305
Small Quantity Series C	\$22,478	\$23,152

Permit By Rule - Transportable Unit	FY24/25 Limit	FY25/26 Limit
Permit by Rule	\$9,504	\$9,789
Conditional Authorization	\$9,504	\$9,789
Conditional Exemption	\$372	\$383

*FY25/26 limits adjusted by 3.0%

G&H Fee Scenarios

	Scenario #1 8% Reserve	Scenario #1 8.1% Reserve	Scenario #2 9% Reserve	Scenario #3 10% Reserve
Calendar Year Waste Generated	2024	2024	2024	2024
Estimated Tonnage Subject to Fee	1,327,166	1,327,166	1,327,166	1,327,166
Fiscal Year	2025-2026	2025-2026	2025-2026	2025-2026
Estimated Collection Rate %	87%	87%	87%	87%
Additional Revenues Required	-\$73,847	\$0	\$1,248,153	\$2,570,153
Total Revenues Required	\$69,226,153	\$69,300,000	\$70,548,153	\$71,870,153
Required Fee Rate	\$59.96	\$60.05	\$61.10	\$62.24
Rate Difference	-\$0.09	\$0.00	\$1.05	\$2.19
Fund Balance	\$10,576,000	\$10,649,847	\$11,898,000	\$13,220,000
Reserve	8.0%	8.1%	9.0%	10.0%

Facility Fee Scenarios

Permit Tier	Permit Type	24-25 Rate	Number of Facilities	Scenario #1 6% Reserve		Scenario #2 8% Reserve		Scenario #3 10% Reserve	
				New Rate	Change in Rate	New Rate	Change in Rate	New Rate	Change in Rate
Full Permit	Base Rate	\$110,138	48	\$85,141.00	-\$24,997.00	\$87,875.00	-\$22,263.00	\$90,609.00	-\$19,529.00
	Disposal Facility	10 x Base Rate	2	\$851,410.00	-\$249,970.00	\$878,750.00	-\$222,630.00	\$906,090.00	-\$195,290.00
	Large Onsite/Offsite Treatment Facility	3 x Base Rate	19	\$255,423.00	-\$74,992.00	\$263,625.00	-\$66,790.00	\$271,827.00	-\$58,588.00
	Small Treatment Facility	2 x Base Rate	11	\$170,282.00	-\$49,995.00	\$175,750.00	-\$44,527.00	\$181,218.00	-\$39,059.00
	Mini Treatment Facility	0.5 x Base Rate	1	\$42,570.50	-\$12,498.50	\$43,937.50	-\$11,131.50	\$45,304.50	-\$9,764.50
	Large Storage Facility	2 x Base Rate	2	\$170,282.00	-\$49,995.00	\$175,750.00	-\$44,527.00	\$181,218.00	-\$39,059.00
	Small Storage Facility	Base Rate	12	\$85,141.00	-\$24,997.00	\$87,875.00	-\$22,263.00	\$90,609.00	-\$19,529.00
	Mini Storage Facility	0.25 x Base Rate	1	\$21,285.25	-\$6,249.25	\$21,968.75	-\$5,565.75	\$22,652.25	-\$4,882.25

Facility Fee Scenarios

Permit Tier	Permit Type	24-25 Rate	Number of Facilities	Scenario #1 6% Reserve		Scenario #2 8% Reserve		Scenario #3 10% Reserve	
				New Rate	Change in Rate	New Rate	Change in Rate	New Rate	Change in Rate
Standardized Permit	Std Permit Facility Series A	\$64,150	4	\$49,590.00	-\$14,560.00	\$51,183.00	-\$12,967.00	\$52,775.00	-\$11,375.00
	Std Permit Facility Series B	\$30,067	6	\$23,243.00	-\$6,824.00	\$23,989.00	-\$6,078.00	\$24,736.00	-\$5,331.00
	Std Permit Facility Series C	\$25,251	10	\$19,520.00	-\$5,731.00	\$20,147.00	-\$5,104.00	\$20,774.00	-\$4,477.00
	Std Permit Facility Series C (Sm Qty)	\$12,626	3	\$9,760.00	-\$2,866.00	\$10,074.00	-\$2,552.00	\$10,387.00	-\$2,239.00
Post Closure (<5 yrs)	Within 5yrs - Small Facility	\$31,309	0	\$24,203.00	-\$7,106.00	\$24,980.00	-\$6,329.00	\$25,757.00	-\$5,552.00
	Medium Facility	\$62,618	0	\$48,406.00	-\$14,212.00	\$49,960.00	-\$12,658.00	\$51,515.00	-\$11,103.00
	Large Facility	\$93,927	0	\$72,609.00	-\$21,318.00	\$74,941.00	-\$18,986.00	\$77,272.00	-\$16,655.00
Post Closure (>5 yrs)	Small Facility	\$16,681	1	\$12,895.00	-\$3,786.00	\$13,309.00	-\$3,372.00	\$13,723.00	-\$2,958.00
	Medium Facility	\$33,363	7	\$25,791.00	-\$7,572.00	\$26,619.00	-\$6,744.00	\$27,447.00	-\$5,916.00
	Large Facility	\$56,340	25	\$43,553.00	-\$12,787.00	\$44,952.00	-\$11,388.00	\$46,350.00	-\$9,990.00
Fixed & Transportable Treatment Units	Permit-By-Rule	\$5,338	33	\$4,126.00	-\$1,212.00	\$4,259.00	-\$1,079.00	\$4,391.00	-\$947.00
	Conditional Exemption	\$209	2	\$162.00	-\$47.00	\$167.00	-\$42.00	\$172.00	-\$37.00

Environmental Fee Scenarios

Number of Employees	2024-25 Fee Rates	Fee Cap	Number of Businesses	Scenario #1 6% Reserve		Scenario #2 8% Reserve		Scenario #3 10% Reserve	
				New Rate	Change in Rate	New Rate	Change in Rate	New Rate	Change in Rate
100 - 249	\$1,283	\$2,605	18,427	\$1,186	-\$97	\$1,211	-\$72	\$1,235	-\$48
250 - 499	\$2,754	\$5,591	4,424	\$2,546	-\$208	\$2,598	-\$156	\$2,651	-\$103
500 - 999	\$16,283	\$33,056	1,685	\$15,052	-\$1,231	\$15,363	-\$920	\$15,674	-\$609
1,000 or more	\$55,056	\$111,771	1,148	\$50,895	-\$4,161	\$51,946	-\$3,110	\$52,997	-\$2,059

Contact Us

- For questions regarding the fee rate setting process:
BEInfo@bes.dtsc.ca.gov
- For questions about hazardous waste management activities and general fee information:
<https://dtsc.ca.gov/submit-comments-and-feedback/>
- For legislative matters: DTSCLegislationOffice@dtsc.ca.gov
- For questions about your fee account and paying fees:
<https://www.cdtfa.ca.gov/email/>

Resources

For general fee information:

DTSC: <https://dtsc.ca.gov/fee-payer-resources/>

CDTFA: <https://www.cdtfa.ca.gov/taxes-and-fees/hazardous-substances-fee/>

Fact sheets:

Generation & Handling Fee: <https://dtsc.ca.gov/wp-content/uploads/sites/31/2024/01/GH-Fee-Handout-1.19.24.pdf>

Environmental Fee: <https://www.cdtfa.ca.gov/formspubs/pub90.pdf>