

3. Finance EBR

DEPARTMENT OF FINANCE ENROLLED BILL REPORT

AMENDMENT DATE: September 2, 1999
RECOMMENDATION: Veto

BILL NUMBER: SB 25
AUTHOR: M. Escutia, et al.

ASSEMBLY: 52/25
SENATE: 26/12

BILL SUMMARY: Environmental Health Protection: Children

This bill would: (1) require the Air Resources Board (Air Board) and the Office of Environmental Health Hazard Assessment (OEHHA) to evaluate toxic air contaminants and existing air quality standards to ensure that the health of infants and children is adequately protected, (2) create the Children's Environmental Health Center (Children's Center) within the California Environmental Protection Agency (CalEPA), and (3) require the South Coast Air Quality Management District (South Coast District) to notify daycare centers, upon request, when air pollution exceeds federal air standards if SB 1195 (Hayden) is enacted and becomes operative by January 1, 2000.

FISCAL SUMMARY

- The total cost of this bill to the Air Board is estimated at \$870,000 in the first year, \$1.29 million in the second year, with ongoing costs of \$1.16 million. Because the 1999 Budget Act already provides \$500,000 General Fund (GF) for air monitoring near schools and daycare centers, the unbudgeted costs would be \$370,000 in the first year, \$990,000 in the second year, with ongoing costs of \$860,000. Because these activities relate to both mobile and stationary source emissions, Finance assumes an even funding split between the Motor Vehicle Account (MVA) and the General Fund.
- OEHHA estimates an annual cost of approximately \$840,000 GF to implement the provisions in the bill. However, because the 1999 Budget Act already includes \$968,000 GF for children's health issues, Finance assumes the Budget Act augmentation would fund the costs related to the bill.
- Costs for the Children's Center are estimated at \$180,000 annually.

COMMENTS

Finance recommends that SB 25 be vetoed for the following reasons:

- The bill would impose major General Fund costs not reflected in the 1999 Budget Act.
- The budget already provides significant funding for programs related to children's health, including \$468,000 to evaluate existing risk assessment methods, \$2.2 million to evaluate the effects of air pollution on children with asthma, and \$500,000 for air monitoring near schools and daycare centers.
- The need to establish the Children's Center within CalEPA is unclear because environmental regulatory agencies are already responsible for the protection of children and infants.

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Analyst/Principal (0632) R. Dean	Date 9/10/99	Program Budget Manager Fred Klass	Date
<i>MA Robert Dean</i>		<i>[Signature]</i>	9/10/99
Department Director			Date
<i>Tom Duggan</i>	9/13/99		

ENROLLED BILL REPORT

Form DE-43 (Rev 03/95 Pink)

M. Escutia, et al.

September 2, 1999

SB 25

ANALYSIS

A. Programmatic Analysis

Air Standards

Current law requires the Air Board to set health-based ambient air quality standards based on recommendations by the Department of Health Services (Health Services). (OEHHA advises that it has always been responsible for the evaluation of air standards, but the statute was not changed when OEHHA was moved from Health Services to CalEPA.) The Air Board advises that standards are developed to protect the most susceptible population. For some air standards, such as lead, the most susceptible population is children, ages one to five years. For other air standards, such as carbon monoxide, the most susceptible population is people with heart disease.

This bill would require OEHHA to evaluate the health risks and exposure patterns of children and infants to air pollutants, and make recommendations to the Air Board. Based on OEHHA's recommendations, the Air Board would be required to review all existing air standards by December 31, 2000, revise the highest priority air standard determined to be inadequate by December 31, 2002, and revise all other air standards determined to be inadequate at a rate of one per year.

Toxic Air Contaminants

OEHHA conducts risk assessments to determine the exposure level at which a chemical poses no significant health risk. OEHHA's risk assessments establish exposure levels for toxic air contaminants (TACs) based on heterogeneous populations, including infants and children, and are the basis for the Air Board's TAC control measures.

SB 25 would require OEHHA to develop a list, by July 1, 2001, of up to five TACs that pose the greatest health risk to infants and children, and review at least 15 TACs annually, beginning July 1, 2004. Within two years of establishing the list, the Air Board would be required to review and revise existing TAC control measures if it is determined that they fail to adequately protect the health of children and infants.

Air Monitoring

The bill would require the Air Board to evaluate whether the existing air monitoring system adequately measures the exposure of infants and children to air pollution, and recommend changes accordingly. The Air Board would be required to expand monitoring systems in six communities throughout the State by placing monitors near schools and daycare centers in close proximity to major sources of air pollution and TACs.

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ANALYSIS (Continued)

A. Programmatic Analysis (Continued)

Children's Environmental Health Center

The bill would establish the Children's Center within CalEPA to serve as the chief advisor to the Secretary for Environmental Protection and the Governor relating to children's issues, assist CalEPA boards and departments to assess the effectiveness of regulations and programs designed to protect children from environmental hazards, and coordinate with other state agencies on environmental issues that relate to children. The Children's Center would be required to report to the Legislature and the Governor by December 31, 2001, on the progress of the Air Board's and OEHHA's evaluation of air quality standards. Finance questions the need to establish the Children's Center within CalEPA because environmental regulatory agencies are already responsible for the protection of children and infants.

South Coast District

The bill would require the South Coast District to notify, to the extent feasible and, upon request, daycare centers when air pollution exceeds federal air standards if SB 1195 (Hayden) is enacted and becomes operative by January 1, 2000. The District is currently required to notify schools. Finance is recommending signing SB 1195.

The 1999 Budget Act includes significant funding for programs related to children's health, including \$468,000 for OEHHA to evaluate existing risk assessment methods, \$2.2 million for the Air Board to evaluate the effects of air pollution on children with asthma, and \$500,000 for the Air Board to monitor air near schools and daycare centers. In addition, \$500,000 has been provided to OEHHA to evaluate existing air standards and TACs. Therefore, the need for this bill is unclear.

B. Fiscal Analysis

The Air Board estimates this bill would result in the following costs:

- Review existing ambient air standards and report: \$80,000 annual cost.
- Review and revise air toxic standards: \$20,000 in 1999-00, \$40,000 in 2000-01, and annual ongoing costs of \$360,000 thereafter.
- Exposure related health studies: \$150,000 in both 1999-00 and 2000-01.
- Air Monitoring: \$620,000 in 1999-00, \$1.02 million in 2000-01, and \$720,000 in 2001-02 (includes \$200,000 for equipment in 1999-00 and \$300,000 in 2000-01).

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BILL ANALYSIS/ENROLLMENT BILL REPORT--(CONTINUED)

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ANALYSIS (Continued)

B. Fiscal Analysis (Continued)

The total cost of this bill to the Air Board is estimated at \$870,000 in the first year, \$1.29 million in the second year, with ongoing costs of \$1.16 million. Because the 1999 Budget Act already provides \$500,000 GF (\$200,000 one-time for equipment) for air monitoring near schools and daycare centers, the unbudgeted costs would be \$370,000 in the first year, \$990,000 in the second year, with ongoing costs of \$860,000. Because these activities relate to both mobile and stationary source emissions, Finance assumes an even funding split between the Motor Vehicle Account (MVA) and the General Fund.

OEHHA advises that the annual cost to evaluate the health risks to children from exposure to air pollution and toxic air contaminants would be approximately \$840,000 GF, with an initial year cost of \$570,000. The 1999 Budget Act includes \$500,000 GF for the evaluation of air standards and TACs, and \$468,000 to evaluate whether existing risk assessment methods adequately protect children. Finance assumes that these funds would be used for OEHHA's costs of the bill.

Costs for the Children's Center are estimated at \$180,000 annually, with an initial year cost of \$50,000.

The bill does not contain a state-mandated cost disclaimer. However, Finance believes that the State would not be required to reimburse local-mandated costs because the South Coast District has the ability to charge fees to cover its costs.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								Fund Code	
	SO	PROP			1999-2000			2000-2001		
	LA	98	FC	FC	FC	FC	FC	2001-2002		
3900/Air Res Bd	SO	No	C	\$185	C	\$495	C	\$430	0001	
3900/Air Res Bd	SO	No	C	\$185	C	\$495	C	\$430	0044	
3900/Air Res Bd	SO	No	B	\$500	B	\$300	B	\$300	0001	
3980/EnvirHithHaz	SO	No	B	\$570	B	\$840	B	\$840	0001	
0555/Environ Prot	SO	No	C	\$50	C	\$180	C	\$180	0001	

Fund Code	Title
0001	General Fund
0044	Motor Vehicle Account, STF

SUGGESTED VETO MESSAGE

SB 25

(as amended September 2, 1999)

I am returning Senate Bill No. 25 without my signature.

This bill would require the Air Resources Board and the Office of Environmental Health Hazard Assessment to evaluate toxic air contaminants and existing air quality standards to ensure that the health of infants and children is adequately protected, and create the Children's Environmental Health Center within the California Environmental Protection Agency (CalEPA).

I am vetoing this bill because it would impose major General Fund costs and is unnecessary since the budget already provides significant funding for programs related to children's health, including \$468,000 to evaluate existing risk assessment methods, \$2.2 million to evaluate the effects of air pollution on children with asthma, and \$500,000 for air monitoring near schools and daycare centers. I also believe that establishment of a Children's Environmental Health Center is unnecessary because it would be redundant of existing responsibilities of environmental regulatory agencies.