
Standardized Regulatory Impact Assessment (SRIA)

Background on SRIA

- Prepared by a team of economists at Berkeley Economic Advising and Research, LLC.
- Released 2019; revised 2020.
- Posted on the Department of Finance website:
- https://dof.ca.gov/wp-content/uploads/sites/352/Forecasting/Economics/Documents/SRIA_DIR_Lead_Safety_Standards_Revised200830.pdf

Background on SRIA

- If new regulation, SRIA estimates the cost of complying with the proposed regulation for regulated businesses and agencies
- If existing regulation, SRIA estimates only the additional cost of compliance with the revised requirements of the proposed regulation

How Costs Were Calculated

Estimating the Number of Exposed Employees

- Needed to estimate the number of employees occupationally exposed to lead in California
- Number (for Construction and General Industry) estimated with assistance from CDPH's Occupational Lead Poisoning Prevention Program staff
- Number of employees based on NAICS codes of industries in CA where employees are likely to be occupationally exposed to lead

How Costs Were Calculated

Estimating the Number of Exposed Employees

- Employees occupationally exposed to lead:
 - Construction: 84,868
 - General Industry: 142,557

How Costs Were Calculated

Estimating the Number of Exposed Employees

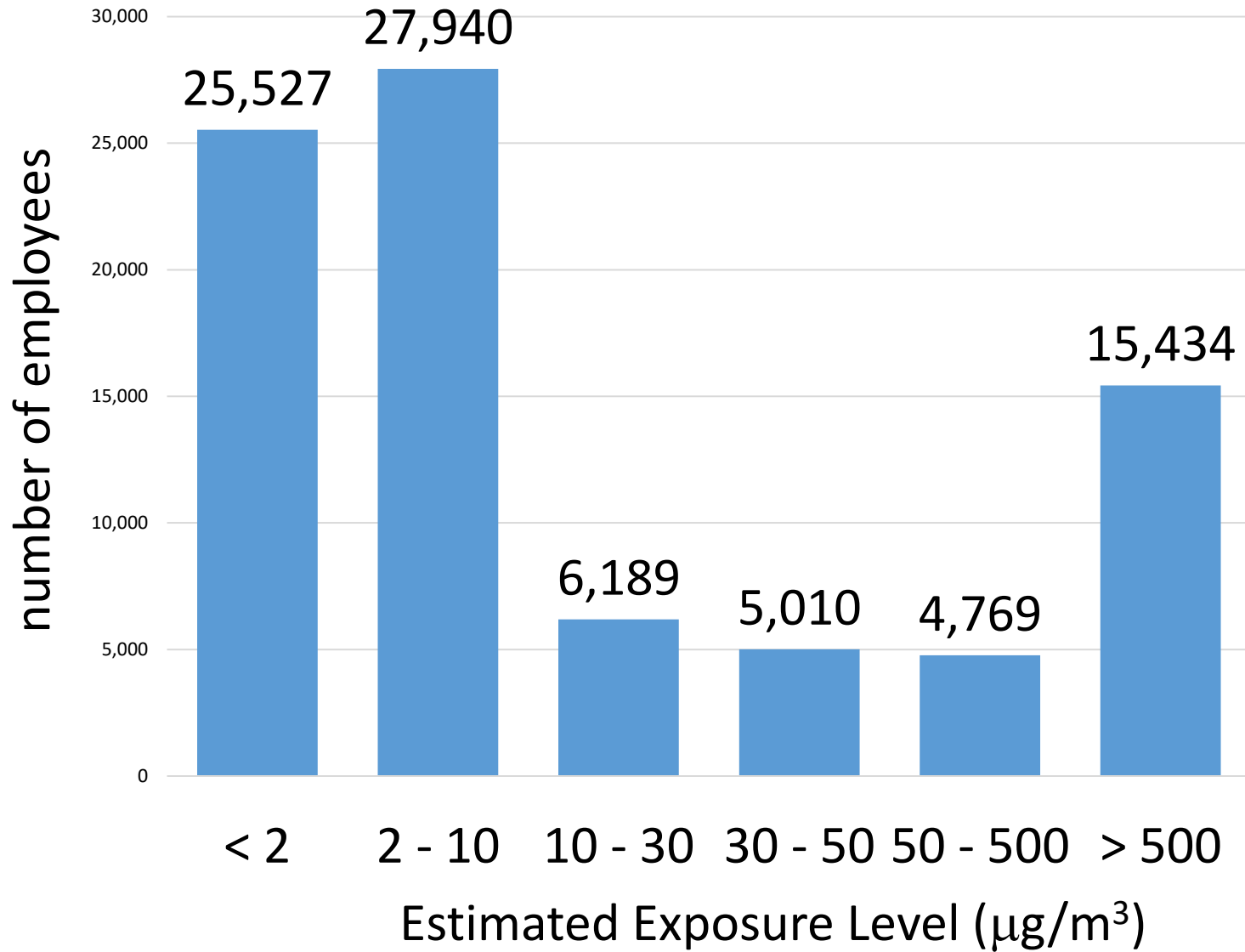
- Employee exposures divided into groups:
 - $< 2 \mu\text{g}/\text{m}^3$
 - $2 - 10 \mu\text{g}/\text{m}^3$
 - $10 - 30 \mu\text{g}/\text{m}^3$
 - $30 - 50 \mu\text{g}/\text{m}^3$
 - $50 - 500 \mu\text{g}/\text{m}^3$
 - $> 500 \mu\text{g}/\text{m}^3$

How Costs Were Calculated

Estimating the Number of Exposed Employees

- Estimate how many employees for each NAICS code are in each exposure group:
 - employee occupational exposures to lead were modeled based on data found in scientific literature
 - employees assigned to particular exposure groups

Construction: Number of Lead-Exposed Employees in each Airborne Exposure Group



How Costs Were Calculated

- What additional requirements would apply to employees in an exposure group?
- Estimated costs for each affected industry:
 - took number of employees in a particular industry who were expected to be exposed at a given exposure level
 - multiplied number of those employees by the cost per employee in that industry to implement that proposed requirement

How Costs Were Calculated

- Total costs (\$) in an industry:

\sum employees exposed to lead at level L in industry i * \sum cost / employee to implement requirement

- Overall costs:
 - add costs for each industry to obtain total cost

Interim Protections

- SRIA assumes exposure assessments were done (they are already required by the existing standards)
- Requirements for employees are based on:
 - the exposure group the employees are in
 - the additional requirements that would apply to employees in a given exposure group

Construction Industry Groups Cost Calculation

- Construction industry groups did their own calculation of costs to comply with the proposed regulation
- They did not share their methodology for calculating costs
- They did not share any data substantiating their claims
- Likely calculated in a much different way than was used in the SRIA
- Their estimated cost should not be compared to the costs calculated in the SRIA

Benefits of the Regulations

- Proposed regulations would have large benefits to both employees and society
- Reduced blood lead levels are expected to result from the proposed regulations
 - reduction in the numbers of premature deaths
 - hypertension
 - non-fatal heart attacks
 - depression

Benefits of the Regulations

- Estimated monetary benefits are expected to increase as the number of years increases with the proposed regulations in place

Benefits of the Regulations

- SRIA estimates the annual total monetary benefits of the regulation:
 - \$140 million 5 years after the proposed regulation is enacted
 - \$559 million 20 years after the proposed regulation is enacted
 - \$1.3 billion 45 years after the proposed regulation is enacted

Costs in SRIA Will Be Revised

- Changes to the proposed regulations that result in a change in the costs or benefits of the regulations must be updated on the Form 399
- The 399 is reviewed and then must be signed off by the Department of Finance
- Costs associated with new requirements that were added to the text of the regulations and posted in the two 15-Day Notices
 - the 399 will be updated to reflect these additional costs, as well as any costs that are reduced

Costs in SRIA Will Be Revised

- Costs have increased since the SRIA was written
 - dollar amounts will be adjusted to account for the increased costs from 2017 to 2022
 - overall costs and benefits will be increased by 21.5%