

May 19, 2021

To: All Interested Parties
Unified Program State Surcharge Increase

The purpose of this letter is to notify all interested parties of the proposed changes to the “Oversight” portion of the Unified Program State Surcharge. Pursuant to California Code of Regulations, Title 27, Section 15240(c), the Secretary for Environmental Protection shall determine the *“amount of state surcharge to be assessed on each person regulated by the Unified Program in order to cover the necessary and reasonable costs of state agencies in carrying out their responsibilities under HSC Division 20, Chapter 6.11, pursuant to HSC section 25404.5 (b)(1).”*

CalEPA is proposing to increase the “Oversight” portion of the annual State Surcharge from \$49 to \$84, with the increase allocated as follows:

- \$27 for the California Environmental Reporting System (CERS) NextGen project; and
- \$8 to address the structural deficit related to the State Certified Unified Program Account (SCUPA)

CalEPA will assess the proposed surcharge for the CERS NextGen project for four years, beginning Fiscal Year 2021/2022. In Fiscal Year 2024/2025, CalEPA will adjust the Oversight Surcharge to only cover costs for the ongoing maintenance and operations of CERS NextGen.

This year’s surcharge proposal includes two major elements:

- CERS NextGen Project
 - CalEPA is responsible for the implementation and overall maintenance of the CERS and has determined that the current CERS must be updated in order to continue providing an effective and stable service to all stakeholders. Therefore, CalEPA has, in collaboration with internal and external stakeholders, initiated the CERS NextGen project to plan and implement this crucial system update. It is estimated that the project will cost approximately 14.1 million dollars and is expected to be completed in Fiscal Year 2024/2025.

- Account Structural Deficit

Based on fiscal analysis performed by the CalEPA Deputy Secretary for Fiscal and Administrative Programs, Unified Program staff, and the California Air Resources Board accounting staff, it was determined that beginning in Fiscal Year 2021/2022, the budget appropriation for the State Certified Unified Program Account exceeds the projected revenues by over \$1,000,000.

The proposed Unified Program surcharge increase was publicly noticed in the California Regulatory Notice Register on May 14, 2021, initiating a 30-day comment period. Following the 30-day comment period, CalEPA will review and consider all comments received, making changes as deemed necessary. After the consideration of comments, CalEPA will publish a final notice in the California Regulatory Notice Register, upon which the proposed Unified Program surcharge amounts will become effective immediately.

No later than sixty days after the effective date of the new surcharge, Certified Unified Program Agencies (CUPAs) are responsible for collecting the new surcharge amount as part of their single fee system. CalEPA will be requesting that all CUPAs begin assessing the new surcharge in fiscal year 2021/2022, including those CUPAs that usually bill prior to the effective date of the new surcharge increase.

For questions or comments regarding the proposed changes to the Unified Program surcharge, please send them to cupa@calepa.ca.gov.