

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/22/2023
POSITION: Oppose

BILL NUMBER: AB 249
AUTHOR: Holden, Chris

BILL SUMMARY: Water: schoolsites: lead testing: conservation.

This bill requires community water systems that serve a Title 1 school site, as defined, to develop a testing plan and test for lead in each of the school site's potable water system outlets on or before January 1, 2027.

FISCAL SUMMARY

The State Water Resources Control Board estimates this bill requires approximately \$17.2 million General Fund and Safe Drinking Water Account in 2024-25 and 2025-26 and \$6.9 million and 23 positions ongoing.

Finance also notes the 2023 Budget Act includes \$25 million General Fund for the Board to implement this bill, contingent upon enactment of this bill.

Finance anticipates this bill may create a reimbursable state mandate with ongoing Proposition 98 General Fund costs that could range into the hundreds of millions of dollars by requiring: (1) local educational agencies (LEAs) that operate as their own community water system to administer lead testing, (2) all LEAs to make testing information publicly available, and (3) LEAs to take specified actions to provide information and notification to specified individuals and entities if testing results show lead levels in excess of five parts per billion for any potable water system outlet.

COMMENTS

Finance is opposed to this bill for the following reasons:

- This bill results in significant ongoing General Fund costs.
This bill would increase Safe Drinking Water Account costs in excess of the statutory cap of five percent and would result in increases to fee payers that have faced substantial fee increases over the last several years.
This bill would likely create a reimbursable state mandate with ongoing Proposition 98 General Fund costs that could range into the hundreds of millions of dollars by requiring LEAs serving as their own water system to conduct lead testing, and all LEAs to make testing information

Table with signature lines for Analyst/Principal, Program Budget Manager, Department Deputy Director, and Governor's Office, including date and position fields.

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COMMENTS (continued)

publicly available, and effectively compels districts to address identified water quality issues. As a result, this bill could effectively create an alternative school facility program for school water quality needs through the mandate reimbursement process, which historically has been an inefficient way to promote and implement state policy.

- Requiring applicable LEAs and school sites to take specified actions if testing results show their lead levels exceed five parts per billion effectively establishes a two-tiered water quality testing standard in California, as community water systems are currently held to a 15 parts per billion contaminant standard, and pending federal regulations would establish an additional "trigger" review level of 10 parts per billion. This two-tiered standard would penalize LEAs that receive water from their community water system if the water they are provided has a lead contaminant value in the range of 5 to 15 parts per billion.

This bill would require LEAs or school sites that receive funding pursuant to Title 1 of the federal Elementary and Secondary Education Act of 1965 to notify the parents and guardians of pupils who attend the school site if testing results show lead levels exceed five parts per billion for any potable water system outlet. LEAs or school sites must take immediate actions to shut down use of these outlets and provide a lead-free source of drinking water to pupils.

Chapter 746, Statutes of 2017, required community water systems to test the potable water system of specified school sites for lead by July 1, 2019, and required LEAs with school sites determined to be out of compliance with United States Environmental Protection Agency's lead standard of 15 parts per billion to: (1) immediately block access to affected water fountains and faucets; (2) mitigate the identified concern by either replacing pipes and fixtures, installing filtration systems, or providing bottled water; and (3) provide specified information and notifications to impacted families, staff, and other personnel.

Finance notes that to the extent that LEAs identify water quality needs, LEAs can use their Local Control Funding Formula allocations for maintenance efforts to improve water quality or issue local bonds for significant projects that address water quality needs. This approach would allow LEAs to address all water quality issues within a school district, rather than exclusively focusing on lead contamination.

Additionally, the Administration is open to considering amended language creating a one-time incentive program, utilizing the funding included in the 2023 Budget Act, to support testing and specified mitigation activities to address elevated lead levels.

Code/Department Agency or Revenue Type	SO LA CO RV	(Fiscal Impact by Fiscal Year)					Fund Code
		PROP 98	FC	2023-2024 FC	2024-2025 FC	2025-2026 FC	
3940/SWRCB	SO	No	C	0 C	6,021 C	6,021	0001
3940/SWRCB	SO	No	C	0 C	11,196 C	11,196	0306
<u>Fund Code</u>	<u>Title</u>						
0001	General Fund						
0306	Safe Drinking Water Account						