

Office of Environmental Health Hazard Assessment History, Programs, and LAO Perspectives

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

Presented To:
Assembly Budget Subcommittee No. 3
Hon. Fran Pavley, Chair





Office of Environmental Health Hazard Assessment—Brief History and Overview

- The Office of Environmental Health Hazard Assessment (OEHHA) identifies the health risks of chemicals in the environment. It provides these assessments, along with its recommendations for pollutant standards and health and safety regulations, to the boards and departments in the California Environmental Protection Agency (Cal-EPA) and to other state agencies, including the Department of Health Services.
- The OEHHA was created in 1991 as the state's environmental risk assessment entity and was also charged with providing scientific support to environmental regulatory agencies as required by statute.
- The OEHHA also identifies cancer-causing chemicals for annual updates of the state list of chemicals in drinking water, provides health risk assessments of "toxic air contaminants," reviews health risk assessments of pesticides, and jointly regulates pesticide worker health and safety with the Department of Pesticide Regulation (DPR).



Office of Environmental Health Hazard Assessment—Key Program Activities



Air Toxicology and Epidemiology Section

- Provide health-based recommendations for ambient air quality standards to the Air Resources Board.
- Develop health effects assessments of toxic air contaminants and prioritize toxic air contaminants and criteria air pollutants for evaluation of health impacts on infants, children, and susceptible populations.



Pesticide and Environmental Toxicology Section

- Develop public health goals (PHGs) for chemicals in drinking water and evaluate actual or potential drinking water contamination situations to determine if water is safe to drink.
- Assess and issue fish contamination advisories including consumption guidelines.
- Evaluate pesticides for registration and application safety and investigate incidents or accidental release of pesticides and advise on public health protection.
- Provide physician guidelines and training for pesticide illness and poisoning, develop agricultural worker guidelines, and conduct community health investigations related to pesticides.



Reproductive and Cancer Hazard Assessment Section

- Identify chemicals for annual list of chemicals known to cause cancer or reproduction-related problems (Proposition 65).
- Determine levels of exposure to listed chemicals that pose no significant risk to health.



Office of Environmental Health Hazard Assessment—Key Program Activities

(Continued)



Integrated Risk Assessment Section

- Evaluate life-cycle fuel additive health assessment guidance documents for the mobile source division of the Air Resources Board.
- Evaluate school risk assessment guidance and toxicity criteria for Department of Toxic Substances Control.



Office of Environmental Health Hazard Assessment—Ten-Year Expenditures

(In Millions)

Year	General Fund		Reimbursements		Special Funds		Total Funds
	Amount	Percent of Total Funding	Amount	Percent of Total Funding	Amount	Percent of Total Funding	
1994-95	\$3.9	34%	\$6.1	53%	\$1.5	13%	\$11.5
1995-96	3.9	36	5.6	52	1.2	11	10.7
1996-97	3.8	39	5.0	52	0.9	9	9.7
1997-98	4.3	45	4.3	45	0.9	9	9.5
1998-99	6.1	66	2.4	26	0.8	9	9.3
1999-00	8.5	75	2.1	18	0.8	7	11.4
2000-01	11.8	81	2.1	14	0.7	5	14.6
2001-02	13.0	85	1.5	10	0.8	5	15.3
2002-03 ^a	12.0	79	2.3	15	0.8	5	15.1
2003-04 ^b	9.8	68	1.8	12	2.9	20	14.5

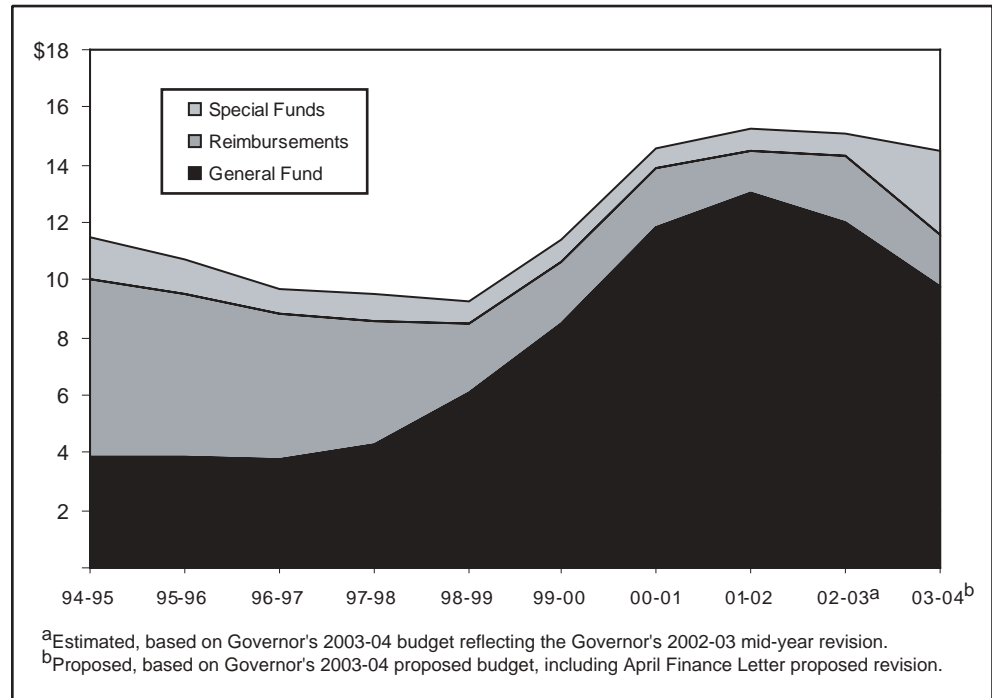
^a Estimated, based on Governor's 2003-04 proposed budget, reflecting the Governor's proposed 2002-03 mid-year revision.

^b Proposed, based on Governor's 2003-04 proposed budget, including April Finance Letter proposed revision.



Office of Environmental Health Hazard Assessment—Ten-Year Expenditures Trend

(In Millions)





Office of Environmental Health Hazard Assessment—January 10 Budget Proposed 2003-04 General Fund Reductions By Program Area

(In Millions)

Air Toxicology and Epidemiology	\$0.3
<ul style="list-style-type: none"> • Indoor Air Program • Criteria Air Pollutant Program 	
Pesticide and Environmental Toxicology Section	1.4
<ul style="list-style-type: none"> • Pesticide Worker Health and Safety Program • Pesticide Registration Risk Assessments • Program Support 	
Reproductive and Cancer Hazard Assessment	0.4
<ul style="list-style-type: none"> • Proposition 65 Safe Harbor Program • Fuels Program • Program Support 	
Integrated Risk Assessment	0.8
<ul style="list-style-type: none"> • Emerging Challenges Program • Environmental Protection Indicators • California/Mexico Border Program • Alternative Fuels Program 	
Executive/Administration	0.7
Total	\$3.6



Governor's April Finance Letter

The Governor issued an April Finance Letter revising the January budget proposal for OEHHA. In particular, the Finance Letter proposes a *one-time* net increase (relative to the January budget proposal) of \$3.5 million in funding to several program areas, using special funds and General Fund freed up by reductions proposed in other state agencies. The chart below lists programs restored and programs augmented in the Finance Letter, as well as the currently proposed General Fund reductions for OEHHA (incorporating the January 10 budget as revised by the April Finance Letter).

Activity	Net Augmentation/ Reduction ^a	Positions
Programs Restored (Reversal of January 10 Reduction)		
Indoor Air Pollution	\$283,000	3.9
California/Mexico Border	130,000	1.5
Air Quality Standards	55,000	0.8
Proposition 65	135,000	1.5
Fuels Studies	477,000	6.2
Farmworker Health and Safety/Physician Training	1,128,000	12.5
Programs Augmented		
Conversion Technology/ Waste Tires Program	+\$350,000	+4.6
Water Quality/Discharge Standards Development	+220,000	+2.8
Temporary Help/ Overtime/OE&E	+33,000 ^b	0.0
Programs Still Proposed for Reduction (January 10 or April Revision)		
Emerging Environmental Challenges	-\$121,000	-1.5
Environmental Indicators	-106,000	-1.5
Peer Review	-393,000	-4.6
Fish Studies	-90,000	-0.8
^a The Finance Letter restores \$779,000 for Executive/Administration that was proposed for reduction in the January 10 budget. This amount has been spread among the various program restoration amounts in the figure.		
^b Net increase after restoration of \$802,000 proposed for reduction in January 10 budget.		



LAO Recommendation: Alternative Funding Sources Available

- Our analysis, beginning on page B-130 of the *Analysis of the 2003-04 Budget Bill*, discusses alternative funding sources available to offset proposed General Fund reductions.
- We recommend that the Department of Pesticide Regulation Fund (DPR Fund)—supported mainly by a mill assessment on pesticide sales—is an appropriate fund source for all pesticide-related programs. While the Finance Letter proposes to backfill the pesticide-related General Fund reduction proposed in January with funding from the DPR Fund, the Governor still proposes about \$600,000 General Fund for pesticide-related programs at OEHHA.
- The Environmental License Plate Fund (ELPF), currently budgeted at \$800,000, could be increased to cover mandated air studies. The ELPF—which is administered by the Secretary for Resources—may be used to fund an array of programs that preserve and protect the environment, specifically including the control and abatement of air pollution.
- In order to maintain OEHHA's independence, we recommend that appropriations from special funds such as the DPR Fund or ELPF be made directly to OEHHA, rather than as a reimbursement.



LAO Recommendation: Peer Review of Pesticide Risk Assessment

- Governor's proposal to shift responsibility for scientific peer review of pesticide risk assessment from OEHHA to the Secretary for California Environmental Protection Agency (Cal-EPA), with no corresponding shift in funding, will reduce efficiency and effectiveness of the pesticide risk assessment.
- Current law mandates OEHHA's role in pesticide risk assessment. The OEHHA performs mandated scientific peer review of pesticide studies, registration reviews, and risk assessments conducted by DPR.
- The Secretary for Cal-EPA also coordinates the peer review of policies, regulations, and guidelines proposed by Cal-EPA departments, using an external scientific peer review panel.
- Shifting the peer review function from OEHHA would reduce the effectiveness of the state's overall risk assessment process because only one aspect of OEHHA's risk assessment functions would shift to the Secretary's office, thereby weakening OEHHA's position as a cross-media environmental risk assessor.
- We propose that this shift is unnecessary, and that funding is available for the peer review by using the DPR Fund, as proposed for other pesticide-related programs.