## **ECONOMIC AND FISCAL IMPACT STATEMENT** (REGULATIONS AND ORDERS) STD. 399 (REV. 12/2013)

	ECONOMIC IM	PACT STATEMENT	
DEPARTMENT NAME	CONTACT PERSON	EMAIL ADDRESS	TELEPHONE NUMBER
California Department of Justice	Melan Noble	Melan.Noble@doj.ca.gov	(916) 322-0908
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 40	2	In the state of th	NOTICE FILE NUMBER
AB 953 Stop Data Reporting Regulation		41 (1945) 4 (1945) 4 (1945) 4 (1945) 4 (1945) 4 (1945)	Z
A. ESTIMATED PRIVATE SECTOR COST IM	PACTS Include calculations ar	nd assumptions in the rulemaking record.	
1. Check the appropriate box(es) below to ind	icate whether this regulation:		
a. Impacts business and/or employee	e. Imposes re	eporting requirements	
b. Impacts small businesses	f. Imposes pr	escriptive instead of performance	
c. Impacts jobs or occupations	g. Impacts in	dividuals	
d. Impacts California competitivenes	h. None of th	e above (Explain below):	
	No costs in	mposed on private sector.	
		omplete this Economic Impact Statement. Fiscal Impact Statement as appropriate.	
2. The	estimates that the	economic impact of this regulation (which includes	the fiscal impact) is:
(Agency/Department)			Pare 7
Below \$10 million		e .	
Between \$10 and \$25 million			
Between \$25 and \$50 million			
Over \$50 million [If the economic impa as specified in Govern	ct is over \$50 million, agencies are ment Code Section 11346.3(c)]	e required to submit a <u>Standardized Regulatory Impac</u>	t Assessment
3. Enter the total number of businesses impact	ed:	-	
Describe the types of businesses (Include no	nprofits):		
Enter the number or percentage of total businesses impacted that are small business	es:	=1	
4. Enter the number of businesses that will be o	reated:	eliminated:	
Explain:			
5. Indicate the geographic extent of impacts:	Statewide Local or regional (List areas)	¢	
5. Enter the number of jobs created:	and eliminated:		
Describe the types of jobs or occupations im	pacted:		
0			
. Will the regulation affect the ability of Californ other states by making it more costly to prod	nia businesses to compete with uce goods or services here?	YES NO	
If YES, explain briefly:			
1			

## **ECONOMIC AND FISCAL IMPACT STATEMENT** (REGULATIONS AND ORDERS) STD. 399 (REV. 12/2013)

#### ECONOMIC IMPACT STATEMENT (CONTINUED)

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$  a. Initial costs for a small business: \$  Annual ongoing costs: \$  Years:  b. Initial costs for a typical business: \$  Annual ongoing costs: \$  Years:  c. Initial costs for an individual: \$  Annual ongoing costs: \$  Years:  d. Describe other economic costs that may occur:
a. Initial costs for a small business: \$ Annual ongoing costs: \$ Years:  b. Initial costs for a typical business: \$ Annual ongoing costs: \$ Years:  c. Initial costs for an individual: \$ Annual ongoing costs: \$ Years:
b. Initial costs for a typical business: \$ Annual ongoing costs: \$ Years:
c. Initial costs for an individual: \$ Annual ongoing costs: \$ Years:
2. If multiple industries are impacted, enter the share of total costs for each industry:
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements.  Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted. \$
Will this regulation directly impact housing costs? YES NO
If YES, enter the annual dollar cost per housing unit: \$
Number of units:  i. Are there comparable Federal regulations? YES NO
Explain the need for State regulation given the existence or absence of Federal regulations:
Explain the need for State regulation given the existence or absence of Federal regulations:
Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$
ESTIMATED BENEFITS Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.
Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment:
. Are the benefits the result of: specific statutory requirements, or goals developed by the agency based on broad statutory authority?  Explain:
. What are the total statewide benefits from this regulation over its lifetime? \$
. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation:
D. ALTERNATIVES TO THE REGULATION Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is no specifically required by rulemaking law, but encouraged.
. List alternatives considered and describe them below. If no alternatives were considered, explain why not:

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## **ECONOMIC AND FISCAL IMPACT STATEMENT** (REGULATIONS AND ORDERS) STD 399 (REV 12/2013)

#### ECONOMIC IMPACT STATEMENT (CONTINUED)

	· · · <del> · · · · · ·</del>			·- <u></u>
2. Summarize the	total statewide costs a	nd benefits from this regul	lation and each alternative considered:	
Regulation:	Benefit: \$	Cost: \$	<u>-</u>	
Alternative 1:	Benefit: \$	Cost: \$		
		Cost: \$		
3. Briefly discuss a	ny quantification issues	that are relevant to a com	parison	
of estimated c	osts and benefits for tl	nis regulation or alternati	ves:	
	<del></del>			
regulation mar	ndates the use of speci	fic technologies or equip	indards as an alternative, if a ment, or prescribes specific d to lower compliance costs?	□ NO
Explain:	·			
E. MAJOR REGU			s in the rulemaking record.	
			ency (Cal/EPA) boards, offices and e and Safety Code section 57005). Other	
1. Will the estimat	ed costs of this regulat	on to California business e	enterprises exceed \$10 million? YES	☐ NO
		If	YES, complete E2. and E3 If NO, skip to E4	
2. Briefly describe	each alternative, or cor	mbination of alternatives, f	for which a cost-effectiveness analysis was p	performed:
Alternative 1: _				
Alternative 2:				
(Attach addition	al pages for other altern	atives)		
3 For the regulation	on and each alternativ	a just dascribad aptor the	estimated total cost and overall cost-effect	
			ost-effectiveness ratio: \$	
			ost-effectiveness ratio: \$	
Alternative 2: To	otal Cost \$		ost-effectiveness ratio; \$	
4. Will the regulation exceeding \$50 r	on subject to OAL revie million in any 12-month	w have an estimated econ	omic impact to business enterprises and in	dividuals located in or doing business in California ed with the Secretary of State through 12 months
YES	NO			
If YES, agencies of Government Cod	are required to submit a de Section 11346.3(c) an	Standardized Regulatory In d to include the SRIA in the I	n <u>pact Assessment (SRIA)</u> as specified in Initial Statement of Reasons.	
5. Briefly describe t	the following:			
The increase or	decrease of investment	t in the State:		
The incentive fo	or innovation in produc	ts, materials or processes:		
The benefits of t	the regulations, includi er safety, and the state's	ng, but not limited to, ben s environment and quality	efits to the health, safety, and welfare of Ca of life, among any other benefits identified	alifornia I by the agency:
<del></del>				PAGE

## **ECONOMIC AND FISCAL IMPACT STATEMENT** (REGULATIONS AND ORDERS) STD. 399 (REV. 12/2013)

### FISCAL IMPACT STATEMENT

(Pursuant to Section 6 of Article XIII B of the California C	which are reimbursable by the State. (Approximate) Constitution and Sections 17500 et seq. of the Government Code).
\$	
a. Funding provided in	
Budget Act of or	r Chapter, Statutes of
b. Funding will be requested in the Governor's Budge	et Act of
Fis	scal Year:
2. Additional expenditures in the current State Fiscal Year (Pursuant to Section 6 of Article XIII B of the California Co	which are NOT reimbursable by the State. (Approximate) onstitution and Sections 17500 et seq. of the Government Code).
Chack reason(s) this regulation is not reignburgable and monit	
Check reason(s) this regulation is not reimbursable and provi	de the appropriate information:
b. Implements the court mandate set forth by the	Court.
Case of:	vs
c. Implements a mandate of the people of this State e	expressed in their approval of Proposition No.
Date of Election:	
d. Issued only in response to a specific request from all	
d. Issued only in response to a specific request from at	
d. Issued only in response to a specific request from all	ffected local entity(s).
d. Issued only in response to a specific request from all Local entity(s) affected:	ffected local entity(s).
d. Issued only in response to a specific request from all Local entity(s) affected:  e. Will be fully financed from the fees, revenue, etc. from Authorized by Section:	ffected local entity(s).
d. Issued only in response to a specific request from all Local entity(s) affected:  e. Will be fully financed from the fees, revenue, etc. from Authorized by Section:	om:  of the  overnment which will, at a minimum, offset any additional costs to each;
d. Issued only in response to a specific request from all Local entity(s) affected:  e. Will be fully financed from the fees, revenue, etc. from Authorized by Section:  f. Provides for savings to each affected unit of local go	om:  of the  overnment which will, at a minimum, offset any additional costs to each;
d. Issued only in response to a specific request from all Local entity(s) affected:  e. Will be fully financed from the fees, revenue, etc. from Authorized by Section:  f. Provides for savings to each affected unit of local good good good good good good good goo	om:  of the  overnment which will, at a minimum, offset any additional costs to each;
d. Issued only in response to a specific request from all Local entity(s) affected:  e. Will be fully financed from the fees, revenue, etc. from Authorized by Section:  f. Provides for savings to each affected unit of local good good good good good good good goo	om:  of the  overnment which will, at a minimum, offset any additional costs to each;
d. Issued only in response to a specific request from all Local entity(s) affected:  e. Will be fully financed from the fees, revenue, etc. from Authorized by Section:  f. Provides for savings to each affected unit of local good good good good good good good goo	om:  of the  code;  overnment which will, at a minimum, offset any additional costs to each;  w crime or infraction contained in  technical, non-substantive or clarifying changes to current law regulations.
	om:  of the  code;  overnment which will, at a minimum, offset any additional costs to each;  w crime or infraction contained in  technical, non-substantive or clarifying changes to current law regulations.

## ECONOMIC AND FISCAL IMPACT STATEMENT (REGULATIONS AND ORDERS)

STD. 399 (REV. 12/2013)

## FISCAL IMPACT STATEMENT (CONTINUED)

<b>B. FISCAL EFFECT ON STATE GOVERNMENT</b> Indicate appropriate boxes 1 through 4 and attach calcul year and two subsequent Fiscal Years.	ations and assumptions of fiscal impact for the current
1. Additional expenditures in the current State Fiscal Year. (Approximate)	
\$	
It is anticipated that State agencies will:	
a. Absorb these additional costs within their existing budgets and resources.	
b. Increase the currently authorized budget level for the	
2. Savings in the current State Fiscal Year. (Approximate)	
\$	
3. No fiscal impact exists. This regulation does not affect any State agency or program.	
🗵 4. Other. Explain AB 953, and not its implementing regulations, mandate state age	ncies to collect and report stop data.
The proposed regulations define and/or clarify that reporting requirem	nent. See attached.
C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS Indicate appropriate boxes 1 through impact for the current year and two subsequent Fiscal Years.	gh 4 and attach calculations and assumptions of fiscal
1. Additional expenditures in the current State Fiscal Year. (Approximate)	
\$	
2. Savings in the current State Fiscal Year. (Approximate)	
\$	
3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.	
4. Other. Explain	
FISCAL OFFICER SIGNATURE	DATE:
O D	DATE
	11-10-16
the signature attests that the agency has completed the STD. 399 according to the instructions in the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agen	or SAM sections 6601-6616, and understands
ighest ranking official in the organization.	ney over etally must have the form signed by the
AGENCY SECRETARY	DATE
a Northan 4. D/	11. 23 11-
inance approval and signature is required when SAM sections 6601-6616 require completion of	
DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER	DATE

# AB 953 Stop Data Reporting Regulations ADDENDUM TO STD 399 Submitted by the California Department of Justice

#### INTRODUCTION

Among other things, California's Racial and Identify Profiling Act of 2015, Chapter 466, Statutes of 2015 (AB 953) requires the California Department of Justice ("Department") to draft and issue regulations to implement the stop data reporting requirements of Government Code section 12525.5. This new program requires specified state and local agencies to collect and report to the Department data regarding stops of their officers.

The Legislative Counsel's Digest of Assembly Bill 953 (2015-2016 Reg. Sess.) notes that costs incurred by local agencies because of this state-mandated program are reimbursable:

By imposing a higher level of service on local entities that employ peace officers, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

(Legis. Counsel's Dig., Assem. Bill No. 953, Stats. 2015, ch. 466, pp. 4153-4154.) Further, Section 5 of AB 953 provides: "If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code." (Stats. 2015, ch. 466, § 5, p. 4159.)

Accordingly, the costs incurred by both local and state government as a result of this new program are mandated by statute, and not created as a result of the proposed regulations. And, with respect to local governments, these costs are reimbursable mandates required by AB 953 itself. The actual costs that will be incurred by local agencies as a result of the statute's implementation are unknown, and can likely only be determined by the Commission on State Mandates once "test claims" are filed by city and county agencies subject to the stop data reporting requirement of Government Code section 12525.5.

With respect to costs incurred by state government, state agencies impacted by the statute's mandates (the Department of Justice, the California Highway Patrol and California university educational institutions, i.e., the University of California, the California State University, and California Community Colleges), will be responsible for submitting budget change proposals for these costs.

#### ESTIMATES RE FISCAL IMPACT ON LOCAL AND STATE GOVERNMENT

Although the full fiscal impact on local and state government is unknown because agencies have yet to design and develop their data collection programs in response to AB 953's stop data mandate, the Department has attempted to estimate some of this information to obtain a sense of the potential costs Government Code section 12525.5 will impose upon state and local agencies.

As discussed below, the Department requested estimates from law enforcement agencies regarding the fiscal impact to state and local government in reporting the stop data required under AB 953. Based on those responses and other information that the Department has reviewed, specified below, it appears that the costs to local and state government will be no less than \$81 million in one-time costs. These one-time projected costs included purchasing equipment and implementing technical changes to local dispatch and/or record management systems. There will also be ongoing costs for personnel, training, and maintenance; most agencies, however, did not provide those costs. This also does not include state funds already allocated to the Department for implementation of AB 953 through the approved budget change proposal.

#### Agencies Impacted By Government Code Section 12525.5

The statute requires all city and county law enforcement agencies to comply with its reporting requirements, excluding probation officers and officers in a custodial setting. The statute also requires the California Highway Patrol, as well as all California state and university educational institutions, to comply with its reporting requirements.

Government Code section 12525.5 requires agencies subject to its reporting requirements to submit their stop data reports annually to the Department; the time frame within which an agency must begin reporting its stop data is determined by the size of the agency, with agencies with 1,000 or more officers reporting by April 1, 2019, agencies with 667-999 officers reporting by April 1, 2020, agencies with 334-666 officers reporting by April 1, 2022 and agencies with 1-333 officers reporting by April 1, 2023.

Currently the Department estimates that approximately eight agencies employ more than 1,000 officers (excluding probation officers and officers in a custodial setting), thus making those agencies subject to stop data reporting by April 1, 2019. By the year 2023, our office estimates an additional 570 additional law enforcement agencies, at a minimum, would be subject to these stop data reporting requirements.

#### FISCAL IMPACT TO LOCAL AGENCIES

In attempting to determine Government Code section 12525.5's potential cost to local government, the Department reviewed AB 953's legislative history, including fiscal analyses provided by legislative staff and information submitted by stakeholders. In addition, the Department solicited input from law enforcement agencies to determine current data collection costs (for those agencies that already collect any type of stop data), as well as the agencies' cost estimates in complying with Government Code section 12525.5.

Estimates Related to Data Collection Requirements Provided in AB 953's Legislative History

On August 17, 2015, the Senate Committee on Appropriations held a hearing on AB 953. Its analysis of the bill included the following information regarding AB 953's fiscal impact related to data collection and reporting by local agencies:

#### Fiscal Impact:

Data collection, reporting, retention, and training: Major one-time and ongoing costs, potentially in the tens of millions of dollars annually to local law enforcement agencies for data collection, reporting, and retention requirements specified in the bill. Additional costs for training on the process would likely be required. There are currently 482 cities and 58 counties in California. To the extent local agency expenditures qualify as a reimbursable state mandate, agencies could claim reimbursement of those costs (General Fund). While costs could vary widely, for context, the Commission on State Mandates' statewide cost estimate for Crime Statistics Reports for the DOJ reflects eligible reimbursement of over \$13.6 million per year for slightly over 50 percent of local agencies reporting.

(Sen. Comm. on Approp., Rep. on Assem. Bill No. 953 (2015-2016 Reg. Sess.) as amended June 30, 2016, p. 1.)

In addition, on August 4, 2015, the California Police Chiefs Association (CPCA) issued a report voicing its concerns and costs estimates regarding AB 953. In that report, 86 police agencies throughout California provided estimates of the costs associated with implementing the bill's requirements. (California Police Chiefs Association, AB 953: CPCA Concerns and Cost Estimates (Aug. 4, 2015) pp. 6-18) Of the 86 agencies that reported, two stated they would incur no additional costs, and 26 stated that additional costs were unknown. The remaining 58 agencies provided very loose estimates that totaled between \$4.1 and \$4.4 million in initial costs, and \$700,000 to \$1.1 million in annual costs thereafter. (*Ibid.*)

#### Estimates Provided by Law Enforcement Agencies Following Passage of AB 953

Following the passage of AB 953, our office surveyed agencies to obtain information on their anticipated one-time technical development and personnel costs, and anticipated costs for training, equipment, and on-going system maintenance to comply with Government Code section 12525.5, based upon the minimum data identified in the statute to be reported.

According to feedback provided by agencies, the anticipated costs of initially implementing the stop data reporting program ranged from \$0 to \$2 million (responses varied from agencies regarding technical and personnel costs), with additional ongoing costs anticipated, but not specified, in most responses. As these significant variances demonstrate, and based on discussions the Department has had with law enforcement agencies, the cost to local governments will vary widely based on the degree to which their current technical environments can be leveraged to perform the required new functions for the collection and reporting of stop data.

Although the fiscal impact to local governments is unknown, based upon feedback from city and county law enforcement agencies, combined with data collected in the California Police Chiefs Association's report referenced above, the fiscal impact is estimated to be one-time costs of at least \$76 million, with unknown ongoing costs. This figure, however, is based in part upon estimates provided by a sample of local law enforcement agencies, and thus the true costs may be significantly more when looking at the entire group of reporting agencies.

As with city and county law enforcement agencies, the fiscal impact to school districts is unknown, because agencies have yet to design and develop their data collection programs in

response to AB 953's stop data mandate. Based upon commentary from similarly situated city and county law enforcement agencies, the cost to school districts will vary based on the degree to which their current technical environments can be leveraged to perform the required new functions for the collection and reporting of stop data. It has been estimated that there are at least 24 school districts with their own police departments, and that these school districts serve over one million students in California, or roughly 1 in 6 students.

#### FISCAL IMPACT TO STATE GOVERNMENT

#### Fiscal Estimates Provided in AB 953's Legislative History

The bill analysis provided by the Senate Appropriations Committee contained the following estimates regarding AB 953's impact on state government:

CHP impact: Potentially significant one-time costs of about \$1 million (Motor Vehicle Account) to modify its existing database, create the program to generate the report, and train personnel. Ongoing increase in workload costs potentially in the range of \$250,000 to \$500,000 (Motor Vehicle Account) for data collection and reporting activities. Data for 2013-14 from the CHP indicates approximately 3.1 million enforcement actions potentially subject to the data collection and reporting provisions of this bill.

<u>CSU/UC</u> police impact: Potentially significant ongoing non-reimbursable costs to California State University police and University of California police officers – the CSM has determined CSU and UC use of campus police is a discretionary act, and therefore any mandated costs are not subject to state reimbursement.

(Sen. Comm. on Approp., Rep. on Assem. Bill No. 953 (2015-2016 Reg. Sess.) as amended June 30, 2016, p. 2.)

#### Estimates Provided by State Agencies Following Passage of AB 953

In addition to surveying local law enforcement agencies, the Department also solicited commentary from the California Highway Patrol as well as the police departments of campuses of the University of California and the California State University. The California Highway Patrol estimated fiscal costs of at least \$1.9 million in initial costs and \$240,000 in on-going costs annually. The police departments of the UCs and CSUs that responded to the Department's request for input estimated costs ranging from \$0 - \$415,000 in initial one-time costs, and \$0 - 150,000 in additional costs annually. It should be noted, however, that the comments we received represented a very small sampling of the state university law enforcement agencies subject to the stop data reporting requirements of AB 953.

Accordingly, based on our survey, the estimated average costs for all state agencies that are subject to the stop data reporting requirements, recognizing that the Department has received only a small sampling of California university educational institutions subject to the stop data reporting requirement, is at least \$5 million, or approximately \$93,000 per agency as a one-time cost, with additional unknown ongoing costs.

Finally, as reflected in its BCP, the California Department of Justice estimated the fiscal impact of AB 953 as requiring \$9,879,000 General Fund spending authority in FY 2016-2017 and \$7,919,000 each FY thereafter to address the continuing mandates associated with AB 953's

implementation, including the stop data program implemented by these regulations, as well as other mandates required by AB 953.

#### METHODOLOGY IN ANALYZING SURVEY RESPONSES

As noted above, the Department estimates, based on feedback and discussions with state and local agencies potentially impacted by the mandate imposed by Government Code section 12525.5, that the fiscal impact on state and local agencies reporting this data to the Department (i.e., excluding the amount already provided in the Department's approved BCP) will be no less than \$81 million in one-time costs, and may be significantly more.

The methodology used to obtain this overall estimate is described below.

Factors to Consider: One-time technical development costs generally will be less for those agencies with existing record management systems that can be readily modified to accommodate additional data elements. Further, costs relating to data collection will be less for agencies that currently have mobile data capture equipment and systems. A small number of agencies are currently collecting stop data and thus reported minimal cost estimates for the implementation of AB 953. Local governments will also incur varied personnel-related costs based on the time needed to enter stop data in the field and associated data processing support. These costs will be greatly affected by the number of peace officers in the agencies and the volume of stops conducted.

Basis of Estimate: AB 953 separates agencies into four reporting categories based on the number of sworn peace officers at the agency (excluding those in a custodial setting). The larger the agency, the sooner it is required to report stop data. The average estimated one-time cost to the vast majority of agencies (those with less than 334 peace officers) totaled \$169,234 based on data submitted by 113 such agencies. Details from 26 of these agencies indicate that roughly 57% (\$96,170) of the costs are tied to technical development and 43% (\$73,063) are tied to personnel. Estimates from five larger agencies varied considerably, from no cost to \$2 million, depending mainly on the extent of required technical development and whether the agencies are already collecting stop data.

We took the average for each category of agency size, multiplied it by the number of agencies in that category statewide, and calculated the following totals for each category.

Local Agencies

Size of Agency	Average One-Time Cost Estimate on Survey	Number of Agencies	Total Estimated One-Time Cost
1 - 333	169,234	363	61,431,942
334 - 999	101,667	11	1,118,337
667 - 999	272,500	8	2,180,000
1,000 +	1,625,000	9	14,625,000
		TOTAL:	76,056,942

State Agencies

Agency	Average One-Time Cost Estimate on Survey	Number of Agencies	Total Estimated One-Time Cost
CSUs & UCs	93,917	33	3,099,261
CHP	1,940,000	1	1,940,000
		TOTAL:	5,039,261

Limitations on Estimates Provided Many agencies from whom we solicited input did not differentiate between one-time costs (system development) and ongoing costs (personnel and system maintenance). Thus, the estimates they provided may have overlooked some cost factors. It should also be noted that many agencies indicated they were currently unable to provide cost estimates regarding the implementation of Government Code section 12525.5.