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Fiscal Note

Drafting Number:	LLS 23-0839	Date:	March 17, 2023
Prime Sponsors:	Sen. Cutter Rep. Joseph; Kipp	Bill Status:	Senate Agriculture
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Bill Topic: **CDPHE ORGANICS DIVERSION STUDY**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Colorado Department of Public Health and Environment to commission a study on organic waste diversion. It increases state expenditures in FY 2023-24 and FY 2024-25 only.

Appropriation Summary: No appropriation is required. The Front Range Waste Diversion Cash Fund is continuously appropriated to the Front Range Waste Diversion Enterprise.

Fiscal Note Status: The fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under SB 23-191**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	Cash Funds	\$298,391	\$25,000
	Centrally Appropriated	\$33,545	\$2,350
	Total Expenditures	\$331,936	\$27,350
	Total FTE	0.3 FTE	-
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill requires the Department of Public Health and Environment (CDPHE) to conduct a study exploring what local governments, other state agencies, and other states are doing to divert organic materials from landfills. The study must:

- consult with stakeholders;
- utilize data from the Statewide Organics Management Plan;
- review existing pilot programs in Colorado;
- consider the feasibility of requiring the diversion of both yard trimmings and food scraps;
- consider the impacts on landfill longevity, greenhouse gas emissions, and water usage;
- include the scope of implementing necessary composting infrastructure;
- develop the timeline, material type, and benchmarks for various regions of the state; and
- recommend changes to policies, regulations, and public awareness to enable organic waste diversion.

CDPHE must submit a report to the General Assembly on the study's research, findings, and recommendations by August 1, 2024. The bill authorizes either the Front Range Waste Diversion Enterprise or Recycling Resources Economic Opportunity Fund to pay the costs associated with the study.

State Expenditures

The bill increases state expenditures in CDPHE by \$331,936 in FY 2023-24 and \$27,350 in FY 2024-25. The fiscal note assumes expenditures will be paid from the Front Range Waste Diversion Fund, which is continuously appropriated Front Range Waste Diversion Enterprise in CDPHE. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-191

	FY 2023-24	FY 2024-25
Department of Public Health and Environment		
Personal Services	\$23,391	-
Contractor	\$275,000	\$25,000
Centrally Appropriated Costs ¹	\$33,545	\$2,350
Total Cost	\$331,936	\$27,350
Total FTE	0.3 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

CDPHE. The bill increases expenditures to hire a contractor to conduct the study, estimated at \$300,000 across FY 2023-24 and FY 2024-25 based on costs for recently completed studies. CDPHE also requires 0.3 FTE in FY 2023-24 only to solicit, execute, monitor, and assist with the contract as necessary.

Other state agencies. The bill directs the study to consider collaboration with other state agencies, including the Department of Agriculture and the Department of Transportation. It minimally increases workload in these agencies in FY 2023-24.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Local Government

The bill minimally increases workload in any local government that collaborates with the study.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Agriculture
Public Health and Environment

Information Technology
Transportation

Legislative Council