

# OFFICE OF FISCAL ANALYSIS

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sSB-118

AN ACT CONCERNING THE USE OF CERTAIN POLYSTYRENE PRODUCTS.

## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Technical Education and Career System	GF - Cost	None	See Below

Note: GF=General Fund

### ***Municipal Impact:***

Municipalities	Effect	FY 23 \$	FY 24 \$
Local and Regional School Districts	STATE MANDATE <sup>1</sup> - Cost	None	\$2-2.8 million statewide

## ***Explanation***

The bill requires each school district, regional school district, regional vocational technical school, and constituent unit of higher education to develop a plan by July 1, 2023, to discontinue the use of expanded polystyrene trays. The plan requirement is not anticipated to result in a fiscal impact to local and regional school districts or the regional vocational technical schools, as they have staff with the purchasing experience necessary to amend existing contracts and create the plans.

To the extent that each plan's requirements are followed, the bill

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<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

results in a state mandate and a statewide annual cost to local and regional school districts, including the Connecticut Technical Education and Career System, of up to approximately \$2 million to \$2.8 million, beginning in FY 24, associated with discontinuing the purchase and use of the trays. The cost per district will vary by the size of the district, the number of trays used, and the specific contract. It is estimated that replacing polystyrene trays with trays made of recycled materials results in an increased cost of \$18 to \$25 for each case of 500 trays. Connecticut public schools provide 46 million lunches and 18 million breakfasts annually. While the bill does not specifically state that districts must use trays made of recycled materials, it is the most common replacement of polystyrene trays. Assuming that a tray is used for each lunch, the additional statewide cost for purchasing lunch trays made of recycled materials is approximately \$1.7 million to \$2.3 million. Assuming 50% of breakfast meals are served with a tray, the statewide cost for breakfast trays is between \$324,000 and \$450,000. The cost to each district for purchasing replacement trays will vary.

A small district serving approximately 350,000 meals will incur annual additional costs of approximately \$12,600 to \$17,500. A medium sized district serving 1.8 million meals will incur annual costs of approximately \$64,800 to \$90,000. Larger districts serving 2.5 million meals will incur annual costs of \$90,000 to \$125,000. If a district instead purchases reusable plastic trays to replace all polystyrene trays, a more significant cost results. It is estimated that reusable plastic trays average \$10-\$12 per tray. In addition to the larger one-time cost of purchasing the trays, districts would incur additional ongoing, significant costs related to staff, dishwashing equipment, plumbing, electrical, and maintenance costs.

Additionally, the bill prohibits restaurants or caterers, beginning on July 1, 2024, from providing single-use expanded polystyrene food and beverage containers to customers, with certain exceptions. It creates a graduated set of penalties for violations of the bill's provisions and allows local health districts or departments, in addition to the Departments of Consumer Protection, Health, and Energy and

Environmental Protection to enforce the ban. This does not result in a fiscal impact to the state or municipalities in either FY 23 or FY 24 as the prohibition on single-use containers begins in FY 25.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the extent of tray use among school districts.

It may also result in a minimal revenue gain to the General Fund and various municipalities to the extent, local health departments enforce the prohibition (since the bill requires half of the revenue from fines must be remitted to the municipality where the violation occurred). It is estimated that less than \$5,000 will be generated annually from violations of the bill's provisions.