

OFFICE OF FISCAL ANALYSIS

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sHB-6606

AN ACT CONCERNING THE USE OF CERTAIN PRODUCTS MADE FROM POLYSTYRENE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$	The Out Years
Resources of the General Fund	GF - Revenue Gain	None	Less than \$5,000	Less than \$5,000
Technical Education and Career System	GF - Cost	None	None	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$	The Out Years
Various Municipalities	Revenue Gain	None	Less than \$5,000	Less than \$5,000
Local and Regional School Districts	STATE MANDATE ¹ - Cost	None	None	\$2.0 million to \$2.8 million

Explanation

The bill results in costs, beginning in FY 26, to local and regional school districts, including the Connecticut Technical Education and Career System, associated with discontinuing the use of polystyrene food containers by July 1, 2025. The bill also results in a potential

¹ 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.

revenue gain of less than \$5,000 annually beginning in FY 25 to various municipalities and the General Fund, associated with fines from violations of the bill's ban on restaurants and caterers using such containers.

Cumulative costs to local and regional school districts associated with the discontinuance of polystyrene food containers are estimated to range from \$2 million to \$2.8 million, beginning in FY 26. The cost per district will vary by the size of the district, the number of trays used, and the provisions of each district's vendor contracts.

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 \$10,800 to \$15,000. A medium sized district serving 1.8 million meals will incur annual costs of approximately \$55,600 to \$77,300. Larger districts serving 2.5 million meals will incur annual costs of \$77,300 to \$107,400.

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.

Lastly, the bill results in a potential, minimal revenue gain, beginning

in FY 25, to the General Fund and to municipalities by prohibiting restaurants or caterers from providing single-use expanded polystyrene food and beverage containers to customers. 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. It is estimated that less than \$5,000 will be generated annually from violations of the bill's provisions.

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 and subject to the number of fines issued for violation of the bill's provisions.