



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Legislative Fiscal Note

Short Title: Ban Certain Polystyrene Products.
Bill Number: House Bill 927 (First Edition)
Sponsor(s): Representatives Hawkins, Everitt, Harrison, and Morey

SUMMARY TABLE

FISCAL IMPACT OF H.B.927, V.1

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
State Impact					
General Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	<u>\$250,788</u>	<u>\$152,529</u>	<u>\$155,995</u>	<u>\$161,019</u>	<u>\$166,344</u>
General Fund Impact	(\$250,788)	(\$152,529)	(\$155,995)	(\$161,019)	(\$166,344)
NET STATE IMPACT	(\$250,788)	(\$152,529)	(\$155,995)	(\$161,019)	(\$166,344)
STATE POSITIONS	2.00	2.00	2.00	2.00	2.00

FISCAL IMPACT SUMMARY

H.B. 927 will have a fiscal impact of approximately \$146,788 recurring and a \$104,000 nonrecurring in FY 2019-20 due to the addition of two new positions and associated operating costs required to implement the bill.

FISCAL ANALYSIS

H.B. 927 amends Article 9 of G.S. 130A by adding a new Part 2J, Management of Expanded Polystyrene that bans the use of certain material in food service products. New G.S. 130A-309.258, Outreach, requires the Department of Environmental Quality (DEQ) to conduct a public education and outreach campaign before and during implementation of new Part 2J. The Department is required to contact food service businesses, schools, community colleges, and universities, distribute information through Web-based resources, issue news releases, and conduct news events.

DEQ estimates that there are approximately 20,000 individual businesses and institutions that would have to be contacted to conduct the outreach campaign required of the bill. Two new full-time equivalent (FTE) environmental specialist positions would need to be created at a total position cost with benefits of \$62,894 each (\$45,000 base salary plus \$17,894 for social security, health insurance, and retirement benefits). The total cost for the new positions would be \$125,788 in the first year (2 FTE times \$62,894).

DEQ also estimated that a new graphic artist position would be required. However, the need for the work required by a graphic artist is time-limited and could be done on a contract basis. Therefore, this estimate assumes that the graphic design required for implementation of this bill will be done by a private contractor in the first year at a cost of \$75,000.

The two new FTE will require operating costs, including travel, supplies, and vehicles. In the first year, additional funding will be required for new computers, and supply costs will be higher as materials are produced and printed. Total nonrecurring start-up costs are estimated to be \$14,000 for equipment and \$15,000 for supplies. Total recurring operating costs are estimated to be \$5,000 for travel, \$10,000 for supplies, \$1,000 for equipment, and \$5,000 for vehicles. The table below lists out all of the itemized estimated costs to implement the bill, adjusted for inflation.

Estimated Salaries and Operating Costs for DEQ FY 2019-20 to FY 2023-24 Adjusted for Inflation					
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Environ. Specialists - 2.0 FTE	\$125,788	\$131,045.94	\$134,086	\$138,698.77	\$143,609
Graphic Design Services	\$75,000	-	-	-	-
Travel	\$5,000	\$5,115	\$5,216	\$5,314	\$5,413
Supplies	\$25,000	\$10,230	\$10,433	\$10,629	\$10,826
Equipment	\$15,000	\$1,023	\$1,043	\$1,063	\$1,083
Vehicle	\$5,000	\$5,115	\$5,216	\$5,314	\$5,413
Total Cost	\$250,788	\$152,529	\$155,995	\$161,019	\$166,344
<i>Inflation Rates based on consumer price index projections provided by Moody's economy.com (December 2018)</i>					

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

Department of Environmental Quality

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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