

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2016-17 STAFF FIGURE SETTING COMEBACKS

**DEPARTMENT OF PUBLIC HEALTH AND
ENVIRONMENT**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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Staff Comebacks

➔ **Comeback#1 - Correction to footnotes for Water Quality Improvement and Brownfields Cleanup Program Line Items**

There was a technical error in the footnotes recommended for the Water Quality Improvement and Brownfields Cleanup Program. The recommendation was for two year roll forward spending authority but the footnotes did not reflect the change. The following is the corrected recommendation for each footnote. The recommended changes are underlined.

Department of Public Health and Environment, Water Quality Control Program, Clean Water Program, Water Quality Improvement -- This appropriation remains available until the completion of the project or the close of FY 2017-18, 2018-19 whichever comes first.

Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups and Remediation Programs, Brownfields Cleanup Program -- This appropriation remains available until the completion of the project or the close of FY 2017-18, 2018-19 whichever comes first.

➔ **Comeback #2 - Contaminated Site Operation and Maintenance Line Item**

Original Recommendation: Staff made the following recommendation on page 121 of the February 22, 2016 figure setting document for the (6) (D) Contaminated Sites Operation and Maintenance. Staff recommends an appropriation of \$1,100,000 cash funds. The difference from the request is that the recommendation includes:

- A reduction of \$459,186 cash funds based on historical expenditures of the line item that did not exceed \$1,030,476 cash funds; and
- A reduction of \$492,900 federal funds appropriated for informational purposes.

Revised Recommendation: Staff's revised recommendation is for an appropriation of \$1,559,186 cash funds. The difference from the original recommendation is that the revised recommendation does not include a reduction of \$459,186 cash funds based on historical expenditures of the line item.

Explanation for Recommendation Change:

The Contaminated Sites Operations and Maintenance line item is used for operations and maintenance costs of superfund sites. The line item has been historically under spent due to delays in the construction of the Clear Creek water treatment facility near Blackhawk. These delays were largely in part to negotiations between the Department and local governments regarding the use of water flowing in and out of the plant. An agreement has been reached and the new plant is currently under construction with a completion date of late Spring 2017. The Department needs to contract for operations of the new plant in early 2017 to have the new contractor on site while the plant is being tested during the final phase of the project. The

Department indicated and staff agrees that spending authority is needed in FY 2016-17 to maintain the water treatment plant.

➔ Comeback #3 - Cottage Foods Program Line Item

Staff inadvertently excluded the Cottage Food Program line item from the February 22, 2016 figure setting document.

Cottage Foods Program

This line item resides in Division 7 - Division of Environmental Health and Sustainability. House Bill 15-1102 (Colorado Cottage Foods Act Expansion) divided the foods that may be produced under the Cottage Foods Act into two tiers. Tier 1 foods include all the foods on the list of non-potentially hazardous foods that can be sold when produced in a home kitchen under existing law plus fruit empanadas and tortillas. Tier 2 foods are limited to pickled vegetables that have an equilibrium pH value of 4.6 or lower. Producers are required to conspicuously display a sign at the point of sale with specific wording to notify customers that the food was produced in a home kitchen not subject to state licensure or inspection, that the kitchen may also process common food allergens, and that the product is not intended for resale.

Statutory Cite: Section 25-4-1614, C.R.S.

Request: The Department did not request this line item and included in the requested funding for the Cottage Foods Program in the Environmental Health Programs line item within Division 7.

Recommendation: Staff recommends an appropriation of \$89,477 General Fund and 1.2 FTE in accordance with the second year costs identified in the fiscal note for H.B. 15-1102. The recommendation is for the same amount the Department requested in a different line item. Staff recommends the funds be placed in the separate line item because the appropriation clause for H.B. 15-1102 specifically identified a separate line for this funding. Additionally the staff recommendation for the Environmental Health Programs line item did not include funding for the Cottage Foods Program. The recommendation is calculated in accordance with Committee policy and outlined in the following table.

| Division of Environmental Health and Sustainability, Cottage Foods Program | | | |
|---|--------------------|---------------------|------------|
| | Total Funds | General Fund | FTE |
| FY 2015-16 Appropriation | | | |
| Other legislation | \$120,982 | \$120,982 | 1.4 |
| SB 15-234 (Long Bill) | <u>0</u> | <u>0</u> | <u>0.0</u> |
| TOTAL | \$120,982 | \$120,982 | 1.4 |

| Division of Environmental Health and Sustainability, Cottage Foods Program | | | |
|---|------------------------|-------------------------|--------------|
| | Total Funds | General Fund | FTE |
| FY 2016-17 Recommended Appropriation | | | |
| FY 2015-16 Appropriation | \$120,982 | \$120,982 | 1.4 |
| Annualize prior year legislation | <u>(31,505)</u> | <u>(31,505)</u> | <u>(0.2)</u> |
| TOTAL | \$89,477 | \$89,477 | 1.2 |
| Increase/(Decrease) | (\$31,505) | (\$31,505) | (0.2) |
| Percentage Change | (26.0%) | (26.0%) | (14.3%) |
| FY 2016-17 Executive Request: | \$0 | \$0 | 0.0 |
| Request Above/(Below) Recommendation | (\$89,477) | (\$89,477) | (1.2) |

➔ Comeback #4 Commission on Affordable Health Care

Original Recommendation: Staff recommended \$7,800 General Fund for ten public meetings the Commission on Affordable Health Care planned to hold.

Revised Recommendation: Staff recommends an appropriation of \$25,000 General Fund for fifty public meetings. This recommendation is an increase of \$17,200 General Fund for forty additional public meetings.

Analysis: The original request from the Commission was for ten meetings at a total cost of \$50,000, or \$1,000 per meeting. The original staff recommendation was for ten meetings at a cost of \$780 per meeting. The Commission provided additional information that the original request was incorrect, and there should have been fifty meetings. Since the Commission will be holding fifty public meetings, staff is recommending a lower cost per meeting because of efficiencies that should be gained through increasing the volume of meetings. Therefore the recommendation is for fifty meetings at a cost of \$500 per meeting for a total cost of \$25,000.

Items for Which Additional Information Was Request - No Vote Required

➔ Necessary Document Assistance Grant Program Data

The Committee asked for additional information on the Necessary Document Assistance Grant Program including the monthly expenditure for FY 15-16, the total projected FY 2015-16 expenditure, and the number of individuals that will be served.

Response: Metro Caring has invoiced the Department for the months of December and January for \$29,581. They have served a total of 820 clients during these two months. The contract with Metro Caring did not start until December 2015. Due to the late start date it is difficult for the

Department to project expenditures and the total number of people served for the remainder of FY 2015-16.

➔ BA2 Marijuana Laboratory Proficiency Testing

The Committee requested the Department provide feedback on whether the staff recommendation for 1.0 FTE to work on the marijuana reference library and development of proficiency testing protocols as required by H.B. 15-1283 (Marijuana Reference Library and Lab Testing Access) was sufficient.

Department Response:

The 1.0 FTE will allow a proficiency testing framework to be developed and provide for controls and comparison of samples. In addition, a permanent FTE will allow for execution of the program, as well as more robust oversight and technical assistance for certified lab’s whose results are outside the acceptable range. The Department would have the resources to track and monitor proficiency testing results and follow up with labs that were having difficulty.

A typical proficiency testing program for all categories of mandatory marijuana testing, which includes a reference laboratory component requiring instrumentation, would require more than 1.0 FTE. The Department needs more time and information in order to determine whether the Department should serve as the reference library and what resources would be required. A permanent FTE will allow for development of a more robust program that would provide additional oversight and technical assistance.

➔ Recycling Resources Economic Opportunity Grants

The Committee had a number of questions regarding the Recycling Resources Economic Opportunity (RREO) Grants Program. The following information was provided by the Department in response to these questions.

Question #1 - Please provide a list of grants that were not funded in the last two year.

Response: In FY 2014-15, there was an unmet need of \$6.8 million. In FY 2015-16, there was an unmet need of \$6.3 million. The following table summarizes the unmet need.

| Year | Grant Cycle | Unmet Need |
|------------|-----------------------------|--------------------|
| FY 2014-15 | Hub and Spoke | \$4,495,723 |
| | End Use Development | \$2,326,940 |
| | FY 2014-15 Total | \$6,822,663 |
| FY 2015-16 | Hub and Spoke | \$6,326,329 |
| | Regional Recycling Planning | \$27,248 |
| | FY 2015-16 Total | \$6,353,577 |

*JBC Staff Figure Setting Tabled Items and Comebacks: FY 2016-17
Staff Working Document – Does Not Represent Committee Decision*

The following table summarizes the grant proposals were not funded in the two most recent fiscal years.

| Recycling Resources Economic Opportunity Grant Proposals | | | |
|---|--|---|-------------------------|
| Year | Organization | Project Title | Amount Requested |
| FY 2014-15 Hub & Spoke | A1 Organics | Relocation of Food Processing Equipment and Construction of Receiving Pits for Processing Incoming Food Waste | \$393,000.00 |
| | A1 Organics | Purchase of a Backus Model 21.60 turner for treatment and beneficial reuse of E&P waste created by oil and gas exploration activities in Colorado | \$300,000.00 |
| | Angel of Shavano Recycling, LLC | Angel of Shavano Recycling Central Processing Hub Facility Expansion Project | \$337,757.00 |
| | Asphalt Recovery Specialists | Recycling Asphalt Shingles Into Landscaping Materials | \$181,920.00 |
| | Baker Sanitation, Inc | Operation Green Stream | \$408,650.00 |
| | Boulder County Resource Conservation Division | Organics Collection for Boulder County's Mountain Drop-Off Centers (DOCs) | \$3,768.00 |
| | Bruin Waste Management | Bruin Waste Management Recycle Sorting Facility | \$259,402.00 |
| | Chloris Consulting | Study for Location of Centralized Anaerobic Digester in Northern Colorado | \$177,425.00 |
| | City of Grand Junction | City of Grand Junction Recycling Program and Facilities Upgrade | \$95,750.00 |
| | City of Lamar | City of Lamar Enhanced Recycling and Storage Project | \$0.00 |
| | City of Pueblo | Pueblo Waste and Recycling Ordinance | \$162,586.00 |
| | Clear Creek County Transfer Station | Direct Ship Recycling to Mill | \$43,650.00 |
| | Colorado State Fair | Colorado State Fairgrounds Recycling Enhancement & Waste Reduction Plan | \$177,753.00 |
| | Colorado State University - Office of Sponsored Programs | Rapid Hazard Response for Transportation Infrastructure Using Repurposed Waste | \$178,927.00 |
| | Commercial Refuse Services | Mesa County Recycling Collection Service Expansion | \$218,594.00 |
| | Community Cycles | Recycling and Re-Using 'Waste' Bicycles and Removing Them from the Waste Stream | \$52,400.00 |
| | Cruz Transport | More Efficient Transportation Between Recycling Markets | \$48,000.00 |
| | Evergreen Events | Compost Collection Fleet Enhancement | \$30,000.00 |
| | Fort Collins Conservation District | Baling Twine Recycling Program | \$103,078.00 |
| | Four Corners Recycling Initiative | Four Corners Recycling Initiative | \$9,060.00 |
| | Gilpin County | Gilpin County Recycle Expansion | \$51,550.00 |
| | Goodwill Industries Of Denver | Increased Recycling Capacity Project | \$465,000.00 |
| | Howard Disposal and Recycling | Residential Curbside Single-Stream Expansion and Hub Creation in Partnership with UAR | \$246,981.00 |
| | Pitkin County Government - Resource Recovery Dept. | 'Composting for Kids' iPhone App | \$2,500.00 |
| | Pitkin County Government - Resource Recovery Dept. | eARN (e-waste Aspen Recycling Network) | \$25,000.00 |

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| Recycling Resources Economic Opportunity Grant Proposals | | | |
|---|--|---|-------------------------|
| Year | Organization | Project Title | Amount Requested |
| | Pitkin County Government - Resource Recovery Dept. | PitCo Paints | \$21,010.00 |
| | Project C.U.R.E | Residential and Non-Residential Medical Surplus Collection | \$83,668.00 |
| | Repurposed Materials | Hard-to-Recycle Materials Expansion Project | \$210,343.00 |
| | Skumatz Economic Research Associates | Implement State-Wide Solid Waste & Recycling Data Collection & Materials Exchange / Tracking System | \$39,744.00 |
| | Skumatz Economic Research Associates | Residential Recycling Decision Tool / Roadmap Model for Colorado Communities | \$29,815.00 |
| | Three Painted Ladies | Northern Colorado Accessible Paint Recycling Expansion Program | \$115,318.00 |
| | Yampa Valley Sustainability Council | A Study to Overcome Barriers to Rural Recycling | \$23,074.00 |
| FY 2014-15 - Hub & Spoke Total | | | \$4,495,723 |
| FY 2014-15 End-Use | Blue Star Recyclers | Enhanced Refurbishing of Electronics | \$19,485.00 |
| | ClearEcos | Biodiesel Plant | \$500,000.00 |
| | Hi-Tec Plastics Recycling | Corrugating Plastic Pipe Line and Pelletizer | \$831,685.00 |
| | Pitkin County Government - Resource Recovery Dept. | SCRAPS | \$48,000.00 |
| | Three Painted Ladies | 3 Painted Ladies Manufacturing Expansion Program | \$136,520.00 |
| | Town of Lyons | Town of Lyons Wastewater Treatment Facility Biosolids Conversion Project | \$791,250.00 |
| FY2014-15 - End-Use Total | | | \$2,326,940 |
| FY 2015-16 Hub & Spoke | Bonnie's Car Crushers | Bonnie's Service Expansion | \$566,745 |
| | Boulder County | Hub-and Spoke Diversion of Traditional Recyclables | \$14,500 |
| | Boulder County | Mountain Diversion of Non-Traditional Recyclables | \$35,000 |
| | City of Alamosa | Rickey Recycling Center Equipment Building | \$75,000 |
| | City of Durango | Push Walls and Bale Backstops for Recycle Center | \$21,850 |
| | Clean Valley Recycling | Curbside Recycling in the Lower Arkansas Valley | \$25,940 |
| | Common Good Compost LLC | Phase 1 and 2 Completion | \$49,950 |
| | Community Cycles | Collection, Reuse, and Recycling of Waste Bicycles | \$42,650 |
| | Conejos County Clean Water | Waste Diversion and Recycling Plan for Conejos and Costilla Counties | \$51,000 |
| | Curbside Recycling, Inc. | Expanding Waste Diversion and Recycling Capacity | \$237,500 |
| | Discover Goodwill of Southern and Western Colorado | Retail Support Center Equipment and Storage | \$157,000 |
| | EcoAction Partners | Sneffels Regional Composting Hub-and-Spoke Planning Project | \$39,500 |
| | Alpine Waste & Recycling | Pay it Forward Proposal | \$699,782 |
| | EWS Steel Aggregate LLC | Expansion of Electric Arc Furnace Steel Slag Processing for various Colorado Markets | \$150,000 |
| Waste Management of Colorado, Inc. | Mobile Education and Outreach Center for Colorado | \$60,000 | |

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| Recycling Resources Economic Opportunity Grant Proposals | | | |
|---|----------------------------------|---|-------------------------|
| Year | Organization | Project Title | Amount Requested |
| | Goodwill Industries Of Denver | Maximizing Recycling Project | \$310,000 |
| | Gunnison County Public Works | New Hub Relocation and Renovation of Existing Hub into Additional Spoke | \$399,382 |
| | Hi-Tec Plastics Recycling | Corrugating Plastic Pipe and Pelletizer Equipment | \$831,685 |
| | K and M Marketing, LLC | K&M Recycling and Collection Hub | \$849,898 |
| | NatureSoil Products | Expansion Project | \$561,150 |
| | Quest Services LLC | North East Colorado Recycling Hub-and-Spoke Project | \$243,890 |
| | Recycle-Creede, Inc | Northern San Luis Valley Hub-and-Spoke Project | \$170,780 |
| | SEE Economic Solutions Institute | Jobs For Thy Neighbor Program | \$243,863 |
| | Town of Fraser | Grand County Public Outreach & Strategic Planning | \$23,575 |
| | Vail Honeywagon Enterprise | Honeywagon Hub-and-Spoke Compost Program | \$202,800 |
| | Vail Honeywagon Enterprise | Vail Honeywagon Recycling Center | \$63,025 |
| | Warren Tech | Electronic Recycling Job Training Program | \$149,864 |
| | El Paso County | Food to Fuel | \$50,000 |
| FY 2015-16 - Hub & Spoke Total | | | \$6,326,329 |
| FY 2015-16 Regional Planning | Boulder Food Rescue | Denver Food Waste and Waste Diversion Audit | \$27,248 |

Question #2 - Is the Department of Local Affairs (DOLA) involved in Recycling Resources Economic Opportunity Grants?

Response: DOLA does not have a defined role within the RREO Program. The Department of Public Health and Environment provides DOLA the RREO Program's annual report and by way of this report they receive information on who and what projects were funded; the amounts, program priorities, and initiatives. Program staff has reached out to DOLA in the past and will continue to explore ways to further collaborate.

Other state agencies do have a defined role in the RREO program. The 13-member Pollution Prevention Advisory Board Assistance Committee advises the Department on how to allocate recycling grant and rebate dollars, and includes representatives from the Office of Economic Development and International Trade and the Colorado Energy Office. These roles are defined in statute pursuant to 25-16.5-105.5, C.R.S.

Question #3 - Is the RREO Program better suited for DOLA? Was the RREO Program ever in DOLA?

Response: The RREO Program has been administered by the Department of Public Health and Environment (DPHE) since the program's inception through the passage of HB 07-1288 in 2007. We do believe DPHE is the most appropriate department to house the RREO program for a variety of reasons:

- DPHE houses other programs that are integrated and connected with activities associated with the RREO program, specifically the Materials Management Unit within the Hazardous Materials Waste Management Division.
- Because of these program functions housed with DPHE, DPHE is best suited to take full advantage of the wide array of internal technical experts to ensure that grantees are in compliance with state and federal regulations and also assist in assessing the feasibility of the various projects funded with these grants/dollars.
- DPHE is developing a statewide Integrated Solid Waste & Materials Management Plan that will comprehensively address the current and future needs of material management in Colorado. This plan, in conjunction with the RREO program will facilitate the development and expansion of recycling options throughout the state and by maintaining functions within one agency assures efficient integration of these distinct but related program functions.

Lastly, the ability of the RREO Program and DPHE staff to fully actualize the desires to further expand Colorado's recycling efforts was not a product of the agency's ability to disseminate dollars, but instead the lack of a sufficient appropriation to meet those needs.