

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 19, 2007
POSITION: Neutral, note concerns

BILL NUMBER: SB 697
AUTHOR: P. Wiggins

BILL SUMMARY: Compost Use: Highway Landscape Maintenance

This bill would require the California Department of Transportation (Caltrans) to report to the Legislature the amount of specified materials used over the past 5 years. These materials include compost, mulch, pesticides and chemical fertilizers. It would require Caltrans to develop and report to the Legislature a 10-year plan to increase the use of mulch and compost for the state's highway landscape maintenance while phasing out the use of pesticides and chemical fertilizers. Caltrans would be required to provide the usage report and the 10-year plan by April 1, 2009.

FISCAL SUMMARY

Caltrans staff states that the cost of reporting on compost and mulch use would be minor because it currently reports this information to the Integrated Waste Management Board (Waste Board). Similarly, the cost to develop a 10-year plan laying out options to increase compost/mulch use and decrease pesticide/chemical fertilizer use would also be absorbable. However, to the extent that the alternatives included in the plan are more costly than Caltrans' current landscape maintenance material usage, the plan could create a significant out-year cost pressure.

COMMENTS

Current law requires Caltrans to use compost and mulch as an alternative to commercial fertilizers in its landscape maintenance program and to report to the Waste Board on its compost/mulch usage. This bill would impose two additional one-time reporting requirements on Caltrans.

The Department of Finance is neutral on this bill, but notes the following concerns:

- Caltrans does not currently and has not historically tracked pesticide or fertilizer usage by amount. It tracks these materials by cost and by active ingredient. Therefore, Caltrans may not be able to provide meaningful report data for these substances.
- The cost to develop a 10-year plan laying out options to increase compost/mulch use and decrease pesticide/chemical fertilizer use would be absorbable. However, to the extent that the alternatives included in the plan are more costly than Caltrans' current choice of landscape maintenance material usage, the plan would likely create a significant out-year cost pressure.

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| Analyst/Principal (0623) | Date | Program Budget Manager Karen Finn | Date |
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| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved _____ |
| | | | Position Disapproved _____ |

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

BILL NUMBER

P. Wiggins

April 19, 2007

SB 697

| Code/Department Agency or Revenue Type | SO | (Fiscal Impact by Fiscal Year) | | | | | | | Fund Code |
|--|-----------------------------|--------------------------------|----|-----------|--------------------|-----------|----|-----------|--------------|
| | LA | (Dollars in Thousands) | | | | | | | |
| | CO | PROP | | | | | | | |
| | RV | 98 | FC | 2006-2007 | FC | 2007-2008 | FC | 2008-2009 | |
| 2660/Caltrans | SO | No | | ----- | See Fiscal Summary | ----- | | 0042 | |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | |
| 0042 | Highway Account, State, STF | | | | | | | | |