



Legislative Task Force
CALIFORNIA CHAPTERS



March 15, 2021

The Honorable Nancy Skinner
Chair, Senate Budget & Fiscal Review
Committee
1021 O Street, Suite 8630
Sacramento, CA 95814

The Honorable Philip Ting
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Budget Request – \$180 million (General Fund): Local Assistance for Organic Waste Recycling Program Development and Implementation

On behalf of the undersigned organizations, we respectfully request a one-time \$180 million increase (General Fund) in local assistance to continue helping cities and counties develop and implement organic waste recycling programs, as required by the Department of Resource Recovery's (CalRecycle) Organic Waste Reduction Regulations (SB 1383). This budget request builds on the \$60 million down payment approved by the Legislature last year, and will further help local governments implement this important greenhouse gas emission reducing program and lower the cost to ratepayers.

Cities and counties greatly appreciate the Legislature's funding for SB 1383 local assistance in the FY 2021-22 budget and for CalRecycle's quick establishment of the grant program. However, additional funding is greatly needed. At a recent Senate Budget Committee Subcommittee hearing, CalRecycle Director Machi Wagoner indicated that CalRecycle received 470 applications for the initial round of funding, which is insufficient to support local government projects seeking resources.

Local governments are the backbone for achieving California's solid waste management and recycling goals. CalRecycle's SB 1383 Regulations adopted in November 2020 require local governments to reduce landfill disposal of organic waste 75% by 2025 and to increase edible food waste recovery 20%. SB 1383 is the farthest-reaching solid waste management change since AB 939 (Sher, 1989) and CalRecycle has estimated statewide implementation will cost \$20-\$40 billion over the next decade, including the addition of 50-100 new organic waste recycling facilities.

Compliance obligations for local governments began in early 2022 and local governments continue to develop a comprehensive suite of local collection, enforcement, and funding programs. These activities include hiring new staff and consultants, adopting ordinances, arranging for appropriate collection services, establishing inspection and enforcement programs, procuring recovered organic waste

products, providing education and outreach, developing edible food recovery programs, and reporting to CalRecycle.

In order to fund all these activities, local governments must raise their rates to cover the additional costs of administering the program. At a time when inflation is at its highest rate in decades, our residents are already feeling the negative impacts on their personal budgets. This is the right time for the state to continue to fund the implementation of this program to help keep solid waste and recycling rates from increasing dramatically.

The undersigned organizations jointly request a one-time \$180 million increase (General Fund) for local assistance to cities and counties for local organic waste recycling program development and initial implementation activities in the same manner as the current SB 1383 local assistance grants administered by CalRecycle.

Given that CalRecycle has already created this grant program, we urge the Legislature to add more funding to this program to help meet local government needs.

This funding request alone is not sufficient to achieve the state's organic waste recycling targets, especially considering the estimated \$20-\$40 billion anticipated total implementation cost; however, it will go a long way to help local governments and accelerate the develop the programs necessary to achieve those goals and to carry out early implementation activities.

California must significantly increase the number of organic waste recycling facilities to achieve the state's goals. As we advocated for last year, we continue to need dedicated funding for infrastructure development. We believe there is merit to supplementing this budget request with an infusion of state funding into CalRecycle's Greenhouse Gas Reduction Grant and Loan Programs to provide financial assistance to develop additional organic waste recycling infrastructure.

Additional funding should be focused to regional organic waste recycling and procurement solutions and to rapidly scale up edible food recovery programs. Finally, we again suggest allocating funding to CalRecycle to develop a statewide program environmental impact report for the siting and construction of organic waste composting facilities, as this could significantly reduce the time and cost to local governments necessary to construct new composting facilities.

Developing suitable programs for organics diversion, obtaining the necessary approvals of programs and costs to rate payers through elected bodies, awarding contracts, and then implementing these programs will take time and resources. This \$180 million allocation will go a long way to help local governments develop and implement effective organic waste recycling programs; however, we note that further statutory and regulatory changes may be necessary to maximize program effectiveness and efficiency, and address challenges that may arise in program implementation.

We respectfully request the Legislature appropriate \$180 million (General Fund) for local assistance as outlined above. If you should have any questions, please do not hesitate to contact Derek Dolfie of Cal Cities at ddolfie@calcities.org; John Kennedy of RCRC at jkennedy@rcrcnet.org; or Catherine Freeman of CSAC at cfreeman@counties.org.

Sincerely,



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