



March 23, 2018

The Honorable Holly Mitchell
Chair, Senate Budget and Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

RE: Governor's 2018-19 State Budget Proposal: Greenhouse Gas Reduction Fund: CalRecycle – Request for \$100 Million

Dear Chairs Mitchell and Ting:

On behalf of the California Chapters of the Solid Waste Association of North America (SWANA) Legislative Task Force (LTF), thank you for the opportunity to provide feedback on the Governor's 2018-19 State Budget Proposal. SWANA represents much of the publicly-owned and –operated solid waste management infrastructure in the state and the local governments responsible for implementing waste diversion and recycling programs. The LTF represents the California Chapters on legislative and regulatory issues.

SWANA has concerns with Governor Brown's proposal to allocate just \$20 million from the Greenhouse Gas Reduction Fund (GGRF) to CalRecycle to assist with waste diversion and recycling efforts. While we acknowledge and appreciate the line-item appropriation for this purpose, we urge the Legislature to augment this allocation to \$100 million, in support of Assembly Member Eggman's request.

In recent years, the State has established a myriad of ambitious waste diversion and recycling goals and imposed related mandates on local solid waste facilities. With the 2020 deadlines for California's 75% waste diversion goal and the first of two major organics recycling goals [SB 1383 (Lara), Chapter 395, Statutes of 2016] less than two years away, there are significant gaps in resources available to meet these goals.

To meet just the organics recycling goals of SB 1383, the state needs \$2-3 billion in capital investment in processing infrastructure throughout California. We are committed to doing our part at the local level, but we need state assistance to viably meet these targets. With no good faith effort provision in this statute, CalRecycle will begin enforcing against locals who are making progress but are unable to meet the 50% reduction in organics from 2014 levels by 2020 or the 75% reduction by 2025, further depleting their resources and restricting their ability to make related investments.

Additionally, the State's 75% by 2020 overall waste diversion and recycling goal appears out of reach without significant resources and policies directed towards these efforts. CalRecycle's "State of Disposal and Recycling in California 2017 Update" identified a 44% state recycling rate as of August 2017, the lowest rate since the 75% goal was established in 2011. Further, recent enforcement of China's National Sword Policy is effectively eliminating what has been the State's largest export market for plastics and paper recyclables, and waste materials are already piling up. Without markets, diverted waste cannot be recycled. Without significant State focus on and direction of resources toward in-state processing and markets, improved permitting processes, and infrastructure build-out, California will be not prepared to manage the impacts of volatile market fluctuations or meet the State's ambitious waste diversion and recycling goals.

LEGISLATIVE ADVOCATES

Jason Schmelzer and Melissa Immel

Shaw / Yoder / Antwih, Inc. • 1415 L Street, Suite 1000, Sacramento, CA 95814 • (916) 446-4656 • Fax (916) 446-4318

For these reasons, we respectfully request that, during the 2018-19 State Budget Process, you expand the Governor's proposal from \$20 million GGRF to \$100 million GGRF for CalRecycle to assist with waste diversion and recycling efforts. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Immel".

Melissa Immel
Legislative Advocate
Shaw / Yoder / Antwih, Inc.

Cc: Members and Consultants, Senate Budget and Fiscal Review Committee
Members and Consultants, Assembly Budget Committee

LEGISLATIVE ADVOCATES

Jason Schmelzer and Melissa Immel

Shaw / Yoder / Antwih, Inc. • 1415 L Street, Suite 1000, Sacramento, CA 95814 • (916) 446-4656 • Fax (916) 446-4318