



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: Transfer of \$26 million from the Tire Recycling Management Fund to the Fish and Game Preservation Fund – Concerns

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 transfer \$26 million from the Tire Recycling Management Fund (TRMF) to address the structural deficit in the Department of Fish and Wildlife's (DFW) Fish and Game Preservation Fund (FGPF).

Current law requires a \$1.75 fee for each new tire purchased in California. One dollar of that fee is deposited into the Tire Recycling Management Fund for oversight, enforcement, and market development grants relating to waste tire management and recycling. The remaining \$0.75 is deposited into the Air Pollution Control Fund for programs and projects that mitigate or remediate air pollution caused by tires, including the Carl Moyer Program. The Governor's proposal redirects the \$0.75 portion to the FGPF and includes trailer bill language to revise the statutory purpose of the tire fee, to instead focus on negative impacts to wildlife and its habitat caused by tires.

The Governor proposes to use Greenhouse Gas Reduction Fund (GGRF) dollars to backfill the \$26 million transferred from the TRMF for 2018-19. This proposal sets a detrimental precedent of transferring funds established for a specific purpose to address structural challenges in a different state department. The TRMF was implemented to focus on management and recycling of tires at the end of their useful life and air pollution resulting from tires. A redirection of these funds is inappropriate and contrary to the original statutory intent.

Notably, the Legislative Analyst's Office recommends that the Legislature reject this proposal, in part because there has not been sufficient justification of a legal nexus for using tire fees to support DFW's workload.

For these reasons, we have significant concerns with the Governor's proposal to transfer \$26 million from the TRMF to the FGPF, and we respectfully request that you reject this proposal during the 2018-19 State Budget process. Thank you for your consideration.

LEGISLATIVE ADVOCATES

Jason Schmelzer and Melissa Immel

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Sincerely,



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

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

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