



MEMORANDUM

To: Members of Joint Committee on Finance (JFC)
From: Associated Recyclers of WI; Council on Recycling, Solid Waste Association of North America-Badger Chapter; WI Counties Solid Waste Management Association
Date: May 1, 2015
RE: Preserving recycling & waste reduction funding

Consistent with our February 9, 2015 press release and March 24, 2015 letter related to restoring funding to recycling and waste reduction programming, education and research, the above noted groups urge the members of the JFC to consider our collective input below.

The \$7 per ton Recycling Fee assessed at landfills should fund recycling programs. The fee contributes the greatest revenue to the Environmental Management Account. The fee was designed to provide funding for local municipal recycling programs, as well as recycling and waste reduction education and research. As such, it is a wholly inappropriate use of this SEG money for debt service, including that related to municipal WWTP (sewer plant) upgrade grants from the 1970s and 1980s.

The proposed budget calls for the elimination of the UW Extension Solid & Hazardous Waste Education Center (SHWEC) program and the UW Solid Waste Research program. It also calls for an additional \$4M reduction in recycling grants. This would represent a 53% reduction in just two budget cycles. **We urge the following:**

- Restoring \$4 million to the Municipal and County Recycling Grant. Recycling programming did not contribute to debts related to WWTPs and the use of that money for debt service is inappropriate. The Recycling Fee is projected to generate \$34 mil per year, yet the Governor's successive budgets would reduce the State's cost-share of local recycling programs from \$32 mil allocated in FY2011 down to \$15 million in FY2016.
- Restoring statutory language and funding for SHWEC and the UW Solid Waste Research program. Legislative Fiscal Bureau (LFB) Paper 487, item 4 indicates that "based on current revenues and other changes in expenditures from the environmental management account...it is estimated that the account would have an unallocated balance sufficient to fund SHWEC, solid waste research and experiments...during the 2015-17 biennium."
- In order to meet debt service payment obligations, we offer an alternative funding source. The proposed reductions are primarily being done to allow for an additional \$4.9M to be used to pay debt service on municipal WWTP upgrade grants from the 1970s and 1980s. This is in addition to the \$8M already paid annually by the environmental management fund for these debt payments. According to LFB paper 489, "it is anticipated the petroleum inspection fund (PECFA) will have a June 30, 2017, balance of approximately \$23.7

million.” Additionally, the paper indicates that the fund “has accomplished its primary purpose of cleaning contamination at most underground storage tanks.” Essentially, there is a substantial reserve in the petroleum inspection fund and little future demand on the reserve. If debt service is not paid out of GPR, then this reserve ought to be tapped instead of the environmental management fund

Thank you for your consideration of our input representing our organizations and members. If we can be of any assistance, please do not hesitate to contact us.

Endorsing Organizations

Associated Recyclers of Wisconsin is a professional association with members from local government, businesses and non-profit groups that provides statewide proactive leadership on waste reduction and recycling through education, advocacy, collaboration, programs and services.

Contact person: President Meleesa Johnson, Marathon County Solid Waste, 715-446-3101 X104 meleesa.johnson@co.marathon.wi.us

Solid Waste Association of North America- Badger Chapter has more than 100 members in Wisconsin, providing information, training programs, and networking opportunities to solid waste professionals and sharing ideas and solutions to better manage municipal waste.

Contact person: President Chad Doverspike, Brown County Port & Resource Recovery, 920-492-4950 Doverspike_cc@co.brown.wi.us

Wisconsin Counties Solid Waste Management Association works with all counties to promote effective and environmentally sound waste management systems and resource recovery efforts.

Contact person: Interim Chairperson: John Welch, Dane County Public Works, 608-267-8815, Welch@countyofdane.com

Wisconsin Council on Recycling authorized in s. 287.22 Wis. Stat., consists of industry, business and local government representatives appointed by the Governor to advise the Governor, Legislature and state agencies on solid waste reduction, recovery and recycling policy.

Contact person: Chairman, Rick Meyers, City of Milwaukee Resource Recovery Program Manager, 414-286-2334 Rick.Meyers@milwaukee.gov

CC: Members of AROW, COR, SWANA & WCSWMA; Office of the Governor, Office of the Secretary of the DNR