



May 5, 2021

The Honorable Nancy Skinner
Chair, Senate Budget & Fiscal Review
Committee
State Capitol, Room 5050
Sacramento, CA 95814

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

RE: Budget Request - \$225 Million (General Fund): Local Assistance for Organic Waste Recycling Program Development and Implementation

On behalf of the California State Association of Counties (CSAC), the League of California Cities (Cal Cities), the Rural County Representatives of California (RCRC), and Californians Against Waste (CAW), we write to request \$225 million (General Fund) in local assistance to help cities and counties develop and begin implementing organic waste recycling programs as required by CalRecycle's new Organic Waste Reduction Regulations (SB 1383 Regulations).

Local governments are the backbone for achieving California's solid waste management and recycling goals. CalRecycle's new SB 1383 regulations adopted in November of last year require local governments to reduce landfill disposal of organic waste by 75 percent by 2025 and to increase edible food waste recovery by 20 percent. These new SB 1383 Regulations are the most far-reaching solid waste management changes in decades and CalRecycle has estimated implementation will cost \$20 to \$40 billion over the next decade, including the addition of 50 to 100 new organic waste recycling facilities.

The first compliance obligations for local governments begin in early 2022 and local governments are working 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.

CSAC, CalCities, RCRC, and CAW jointly request \$225 million (General Fund) for local assistance to cities and counties for local organic waste recycling program development and initial implementation activities. Specifically, the request should:

- Have the Controller directly allocate grants to cities and counties as follows:
 - Roughly \$72 million to fund minimum payments of \$200,000 to each county and \$125,000 to each city.
 - Approximately \$153 million to cities and counties on a per capita basis.
- Allow cities and counties to use these funds to hire staff and consultants necessary to design and implement SB 1383 organic waste recycling programs, develop the various ordinances, programs, services, education and outreach activities, and organic waste recycling capacity planning requirements, and any other requirements imposed under the SB 1383 Regulations.
- Allow cities and counties to use these funds to pay for initial implementation costs.
- Allow cities and counties to pool any or all of their allocations to work together on implementation efforts to maximize efficiency and promote local flexibility.

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

In addition to this request for local program development assistance, we recognize that there remains additional need to dedicate funding for infrastructure development. California must significantly increase the number of organic waste recycling facilities to achieve the state's goals. We believe there is merit to supplementing this 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. We believe that some portion of those funds should be targeted to regional organic waste recycling and procurement solutions and to rapidly scale up edible food recovery programs. Finally, we suggest allocating funding to CalRecycle to develop a statewide program environmental impact report for the siting and construction of organic waste composting facilities, as such a document could significantly reduce the time 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 \$225 million allocation will go a long way to helping locals develop and implement effective organic waste recycling programs; however, we also note that further statutory and

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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 \$225 million (General Fund) in for local assistance as outlined above. If you should have any questions, please do not hesitate to contact Catherine Freeman (CSAC) at cfreeman@counties.org, Derek Dolfie (Cal Cities) at ddolfie@cacities.org, John Kennedy (RCRC) at jkennedy@rcrcnet.org, or Nick Lapis (CAW) at nicklapis@cawrecycles.org.

Sincerely,



JOHN KENNEDY
Legislative Advocate
RCRC



CATHERINE FREEMAN
Legislative Representative
CSAC



DEREK DOLFIE
Legislative Representative
Cal Cities



NICK LAPIS
Director of Advocacy
CAW

cc: Members of the Senate Budget & Fiscal Review Committee
Members of the Assembly Budget Committee
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