

ALBANY CALIFORNIA



CITY OF ALBANY
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18 April 2022

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

The Honorable Phil 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

Dear Assembly Member Ting and Senator Skinner:

The City of Albany supports the League of California Cities (Cal Cities) request for \$180 million (General Fund) in local assistance to continue helping cities develop and implement organic waste recycling programs, as required by the Department of Resources Recycling and 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 greatly appreciate the Legislature's funding for SB 1383 local assistance in the FY 2021-22 budget and CalRecycle's quick establishment of the grant program. However, additional funding is greatly needed. At a recent Senate Budget Committee Subcommittee hearing, CalRecycle Director Rachel Machi Wagoner indicated that CalRecycle received 470 applications for the initial round of funding, which is insufficient to support local government projects seeking resources.

The City of Albany submitted an application for the 2022 SB 1383 Local Assistance Grant Program in February 2022. The City has not yet heard from CalRecycle regarding whether the funding was approved. It is estimated that, if awarded funding, Albany would receive a base award of \$20,000, and has the potential to receive an additional \$3,390 based on a per capita allocation formula.

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 to \$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.

Implementation of SB 1383 regulations will require significant staff time, as well as funding for outreach and education to residential and commercial customers, record keeping and reporting, procurement of recycled-content paper products, among other implementation activities. The City of Albany would benefit tremendously from this budget proposal, as it will allocate additional resources toward meaningful SB 1383 implementation.

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, the City of Albany recognizes 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 \$180 million allocation will 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.

For these reasons, the City of Albany respectfully requests the Legislature appropriate \$180 million (General Fund) for local assistance as outlined above.

Sincerely,



Preston Jordan
Mayor
City of Albany

cc: Assembly member Buffy Wicks
(Via email: assemblymember.wicks@assembly.ca.gov)
The Senate Budget Committee
(Via email: SBUD.Committee@senate.ca.gov)
The Assembly Budget Committee (Via email: AsmBudget@asm.ca.gov)
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