




STATE OF WISCONSIN | Legislative Audit Bureau

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Joe Chrisman
State Auditor

DATE: September 19, 2019

TO: Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee

FROM: Joe Chrisman
State Auditor 

SUBJECT: Proposed Audit of State Recycling Programs—Background Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering an audit of state recycling programs.

The Department of Natural Resources (DNR) administers an electronics recycling program and a municipal and county recycling grant program that provide funds to local governments for a portion of their eligible recycling expenses. In both calendar year 2018 and 2019, the grant program was appropriated \$19.0 million, and a recycling consolidation grant program was appropriated an additional \$1.0 million in both years. Recycling programs are funded from the segregated environmental management account of the State's environmental fund. In fiscal year (FY) 2018-19, DNR was authorized 20.4 full-time equivalent (FTE) positions to work on recycling activities.

Local governments that implement state-mandated recycling programs are called "responsible units." In 2018, 96.4 percent of the 1,071 responsible units statewide received state grants for a portion of their costs to operate local recycling programs. The total amount awarded declined from \$32.7 million in calendar year 2008 to \$20.0 million in calendar year 2019.

The Department of Agriculture, Trade and Consumer Protection (DATCP) administers the Clean Sweep program, which awards grants to counties and municipalities for collecting and disposing pesticides, farm chemicals, prescription drugs, and hazardous wastes. In FY 2018-19, this program was appropriated \$750,000 from the environmental management account. DATCP estimated that 0.75 FTE positions, which were funded by the agrichemical management fund, administered this program.

Purchasers of recyclable materials have introduced new limits on the amount of acceptable contamination in recyclables. As a result, Wisconsin cities and private recyclers indicate they pay more to have recyclable materials sorted to meet these new limits, and they report earning less for recyclable materials sold to buyers. As a result, more recyclable materials may be sent to landfills than had been anticipated.

An audit of state recycling programs could:

- determine the State's costs to administer the programs and assess whether the State effectively administered these programs in recent years;

- evaluate how the State allocated funding to counties, municipalities, and other responsible units in recent years and assess whether this allocation was fair and equitable;
- examine variations in amounts recycled and expenses incurred by counties, municipalities, and other responsible units in recent years;
- assess the current market for recyclable materials covered by the programs and assess how changes in the market affected recycling costs in recent years;
- review how other states administer their recycling programs and address market effects on their programs;
- identify best practices for local units of government to recycle materials; and
- assess how the State could improve its administration of the recycling programs.

I hope you find this information helpful. If you have any additional questions regarding this request, please contact me.

JC/DS/ac

cc: Senator Chris Kapenga
Senator Alberta Darling
Senator Janet Bewley
Senator Tim Carpenter

Representative John Macco
Representative John Nygren
Representative Melissa Sargent
Representative Katrina Shankland