



Informational Paper 67

**Solid Waste Recycling
and Waste Reduction**

Wisconsin Legislative Fiscal Bureau

January, 2009

Solid Waste Recycling and Waste Reduction

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Solid Waste Recycling and Waste Reduction

In the 1980s, concerns about landfill capacity and the environmental impacts of solid waste disposal, in combination with increasing interest in recycling, brought attention to solid waste management in Wisconsin and served as the impetus for implementation of several state initiatives to more effectively manage this waste.

The Legislature enacted 1989 Wisconsin Act 335, a statewide regulatory and financial assistance program aimed at encouraging, and in some instances requiring, solid waste recycling and reduction. Subsequent legislation modified the funding sources and appropriations for state recycling programs.

The purpose of this paper is to describe major, statewide solid waste recycling and waste reduction regulations, financial assistance programs, and educational and technical assistance initiatives currently in place in Wisconsin. Most of the solid waste management and recycling regulations and financial and technical assistance are administered by the Department of Natural Resources (DNR). DNR administers the municipal and county recycling grant program that provides financial assistance to responsible units of local government for eligible recycling expenses. The grant program is providing \$31 million to responsible units in each of calendar years 2008 (2007-08) and 2009 (2008-09).

In each of the two years, \$1.9 million is also appropriated for a recycling efficiency incentive grant program that is awarded at the same time as the municipal and county grants. Other recycling provisions are administered by the Department of Commerce, Department of Revenue, University of Wisconsin Systems, Department of Transportation and Department of Agriculture, Trade and Consumer Protection.

The paper also describes the segregated recycling and renewable energy fund, from which appropriations are made for state recycling programs. Prior to 2007-08, the fund was named the recycling fund. The fund receives revenue from the recycling surcharge and recycling tipping fee. Appendix I provides a summary table of funding and positions during 2006-07 through 2008-09 for the programs discussed in the following sections. Appendix II provides a summary table of recycling fund cumulative revenues and expenditures from 1990-91 through 2007-08. Several other appendices discuss various aspects of recycling program provisions. While this paper focuses on recycling financial assistance and regulatory programs, it also briefly discusses other programs related to recycling, recyclable materials market development, and activities funded from the recycling and renewable energy fund.

SOLID WASTE AND RECYCLING PROGRAM REQUIREMENTS

Solid Waste Management Policy

The state's solid waste management policy, established in s. 287.05 of the statutes, declares that maximum solid waste reduction, reuse, recycling, composting and resource recovery is in the best interest of the state in order to protect public health, to protect the quality of the natural environment and to conserve resources and energy.

The policy also states that implementation of solid waste reduction, reuse, recycling, composting and resource recovery systems and operations should involve and encourage the cooperation of individuals, state and local governments, tribes, schools, private organizations and businesses. The statutes specify that state government should achieve this involvement and cooperation by relying to the maximum extent feasible on technical and financial assistance, educational and managerial practices, and that necessary regulations should be developed with maximum flexibility. These policies are summarized in Appendix III.

The state policy establishes a hierarchy of solid waste management options, ranked in the following order of preference: (1) reduction of the amount of solid waste generated; (2) reuse of solid waste; (3) recycling of solid waste; (4) composting of solid waste; (5) recovery of energy from solid waste; (6) land disposal of solid waste; and (7) the burning of solid waste without energy recovery.

Bans on Landfilling and Incineration

State law prohibits the landfilling and incinera-

tion of specified materials after certain dates as a means of encouraging their recycling or reducing their generation. Bans of specific materials went into effect on January 1 of 1991, 1993 and 1995. Certain materials are exempted from the ban.

In the recycling law, the term "solid waste disposal facility" includes several types of facilities, but is most commonly synonymous with the more familiar "landfill." A "solid waste treatment facility" which burns solid waste is generally synonymous with "incinerator." For the purposes of this paper, "landfill" and "incinerator" will be used unless a more extensive definition is necessary for clarity.

1991 Bans

As of January 1, 1991, no person may dispose of lead acid batteries, major appliances or waste oil in a solid waste disposal facility or landfill. Major appliances include residential or commercial air conditioners, clothes dryers, clothes washers, dishwashers, freezers, microwave ovens, ovens, refrigerators, stoves, furnaces, boilers, dehumidifiers and water heaters. The ban also prohibits any person from burning lead acid batteries or major appliances in an incinerator, and prohibits incinerating waste oil without energy recovery. An exception to the ban is provided for any person who disposes of a microwave oven in a landfill if the capacitor has been removed and disposed of in accordance with state regulations regarding the disposal of capacitors containing PCBs (polychlorinated biphenyls).

1993 Bans

As of January 1, 1993, no person may dispose of yard waste (yard and garden debris and brush) in a landfill or in any other solid waste disposal facility,

except a land spreading facility approved in accordance with solid waste laws. A "land spreading facility" is defined as a solid waste disposal facility in which solid waste is placed in thin layers onto the surface of the land or incorporated into the surface layers of the soil. The ban also prohibits burning yard waste without energy recovery. The Department of Natural Resources is authorized to grant a waiver to this prohibition to allow the burning of brush or other clean, woody vegetative material that is no greater than six inches in diameter at wood burning facilities that are licensed or permitted by DNR. The statutes specify that DNR is not required to promulgate the policy that establishes conditions for this waiver as an administrative rule.

1995 Bans

As of January 1, 1995, no person may landfill, burn with or without energy recovery, or convert into fuel, any of the following waste materials: (a) aluminum containers; (b) corrugated paper or other container board; (c) foam polystyrene packaging (packaging made primarily from foam polystyrene that either: (1) is designed for serving food or beverages; (2) consists of loose particles intended to fill empty space and cushion the packaged article; or (3) consists of rigid materials shaped to hold and cushion a packaged article); (d) glass containers; (e) magazines or other material printed on similar paper; (f) newspapers or other material printed on newsprint; (g) office paper; (h) plastic containers (plastics #1 through #7 required to be labeled under the plastic container labeling law); (i) steel containers; and (j) containers for carbonated or malt beverages that are primarily made from a combination of steel and aluminum (known as "bi-metal" cans). In addition, waste tires cannot be landfilled or burned without energy recovery, but can be burned with energy recovery.

Exceptions to the Bans

Exceptions to the bans are made for: (a) incidental amounts of the banned materials generated in a

region that has an effective recycling program; (b) certain materials incinerated in a grandfathered incinerator; (c) incinerators that burn solid waste as a supplemental fuel; (d) certain medical waste; (e) unexpected emergency conditions; (f) certain woody materials burned in approved wood burning facilities; (g) beneficial reuse of a material within a landfill; (h) contaminated materials; and (i) certain plastics if recycling is not feasible. A more detailed discussion of these exceptions is contained in Appendix IV. (Incidental amounts refers to banned materials that are not separated for recycling within an effective program, including items the consumer fails to separate, and nonrecyclable items, such as newspapers used for cleaning windows, plastic milk containers used for waste oil and broken glass containers.)

Enforcement of Bans

DNR is authorized to issue a citation to any person who violates any of the bans. The forfeitures that may be collected through a citation for violation of these requirements are \$50 for the first violation, \$200 for the second and \$2,000 for the third or subsequent violation. The Attorney General is authorized to enforce the 1995 bans by seeking injunctive relief against any person who violates them on or after January 1, 1995. Monetary penalties for violations of the 1993 and 1995 bans were imposed beginning two years after the bans on the landfilling and incineration of the recyclable materials took effect.

DNR's implementation of the recycling law emphasizes achieving voluntary compliance through technical and financial assistance rather than enforced compliance through the imposition of penalties or injunctions. However, the Department does work with responsible units to identify violations of local recycling ordinances by waste haulers or landfills.

DNR also is authorized to: (a) hold hearings and compel the attendance of witnesses in the production of evidence related to the administration of

the statewide recycling laws; and (b) enter and inspect property at which a solid waste facility is located, or is being constructed or installed, or inspect any record relating to solid waste management at any reasonable time for the purpose of ascertaining the status of compliance with recycling law.

DNR issued one notice of noncompliance to a hauler in 2008 for landfilling of recyclables mixed with solid waste. The hauler returned to compliance within the 30-day required timeframe. DNR staff also responded to citizen inquiries or complaints about possible cases of landfilling of mixed recyclables and trash by haulers, burning of recyclable cardboard by solid waste facilities, and illegal disposal of waste tires.

DNR has referred a small number of cases related to the landfill bans to the Department of Justice for enforcement action, as part of enforcement of other solid waste violations. Examples of other violations include landfill license violations, open burning, improper storage of solid or hazardous waste or recyclable materials at nonlicensed sites, and improper hauling or processing.

In addition to state enforcement, if a local government has an "effective recycling program," it must take actions to enforce the 1995 bans. This is described in the section on local government responsible units.

DNR is authorized 2.4 positions from the recycling and renewable energy fund in 2008-09 for recycling enforcement that is provided by allocating a portion of the time of environmental wardens throughout the state. DNR regional recycling specialists funded from the recycling fund also work with enforcement.

Local Government Responsible Units

The statutes establish several responsibilities for

local government related to recycling. In general, the local units of government responsible for implementing state-mandated recycling programs are termed "responsible units." Under the recycling law definition, the responsible unit for a geographic area is the municipality (city, village or town) unless a county takes specific action to create a responsible unit. Currently, every municipality in the state is included within one of 1,061 responsible units. For 2008, almost all responsible units (1,018 of 1,061), representing 99.3% of the state's population, received state-funded grants for a portion of the costs of operating the local recycling programs.

A county may become a responsible unit upon its board adopting a resolution accepting this designation. A municipality located in the county may retain its own status as a responsible unit if the municipality adopts a resolution to do so within 90 days of the county board's adoption of its resolution. There are 34 counties that are responsible units for all or some of the communities within their boundaries. The governing body of any responsible unit may designate, by contract, another unit of government to be the responsible unit, if it has that unit of government's consent. These multiple-municipality responsible units consist of counties, solid waste management commissions or two or more neighboring municipalities. Indian tribes may also become responsible units.

Duties and Powers of Responsible Units

Each responsible unit must develop and implement a program to manage the solid waste generated within its jurisdiction in compliance with the 1991, 1993 and 1995 bans and the state's solid waste management priorities. The allowable ways this may be done are: (a) manage materials subject to the 1995 bans in an "effective recycling program" and comply with the 1991 and 1993 bans; or (b) burn combustible materials subject to the 1995 bans in a "grandfathered" incinerator (described in the section on exceptions to the bans), manage the non-combustibles in an effective recycling program and comply with the 1991 and 1993 bans. Responsible

units are authorized to designate one or more persons to implement specific components of the solid waste management program and are authorized to adopt an ordinance to enforce this program.

Responsible units may charge recycling fees, defined as any special assessment or charge levied for services provided by responsible units, or other parties, including private parties, that relate to the responsible unit's duties to operate a solid waste management program. Unpaid recycling fees are a lien on the property against which the fees are levied and are to be collected in the same manner as delinquent property taxes.

No officer, official, agent or employee of a responsible unit may be held liable for civil damages as a result of good faith actions taken by that person within the scope of that person's duties relating to the responsible unit's recycling program or recycling site or facility.

Any responsible unit that accepts funding from the municipal and county recycling grant program (or a county or municipality within such a responsible unit) is prohibited from regulating the sale or distribution of packaging for a purpose relating to its disposal unless that restriction is consistent with current law relating to marketing and trade practices or solid waste regulation. For example, a municipality that accepts grant funding may not ban retail sales of products packaged in a certain type of plastic in order to reduce the disposal problems associated with that plastic. The unit of government also may not impose a tax or fee on the sale or distribution of the packaging for a purpose related to its disposal. (DNR interprets the prohibition of local regulation of packaging or a fee on packaging to not apply to plastic bags that are used to carry packaged items.)

Effective Recycling Programs

A responsible unit's compliance with its recycling responsibilities relating to the 1995 landfill and incineration bans is determined by whether it is judged to have an "effective recycling

program." Effective recycling program criteria were established in 1989 Act 335 and are contained in DNR administrative rule NR 544.

The designation of an effective recycling program is significant because, beginning in 1995, the designation determined a responsible unit's ability to landfill or incinerate certain materials and eligibility for state recycling grant funds. A responsible unit must be approved as having an effective recycling program in order to landfill waste in the state and to apply for state recycling grants. Materials subject to the 1995 ban may generally only be landfilled or incinerated if they are the "residuals" (in this context, materials remaining after other like materials have been separated for recycling) from an effective recycling program, or qualify under one of the other exceptions.

When a responsible unit wants to initially be designated as having an effective program, it may request that DNR conduct a review to determine if its solid waste management program constitutes an effective recycling program. The DNR has 90 days in which to review documentation submitted to it and to determine whether a program is "effective." All 1,061 responsible units have received approval as having effective recycling programs. The approval is valid as long as the local program is operated in a manner that maintains the required components of an effective recycling program.

Local programs are required to submit an annual report to DNR that outlines their effective recycling program. DNR field staff review the reports and perform program evaluations to determine the compliance of the responsible unit with the effective program requirements. Between 1996 and 2004, 11 responsible units were placed on probation due to noncompliance issues or failure to submit their annual recycling report to DNR. They corrected the problems in their recycling program and were returned to effective program status.

The Department indicates that, beginning in 2005, it moved toward a more systematic monitoring and tracking of compliance by responsible

units with effective program criteria. No responsible unit has been found out of compliance since 2004. DNR regional staff conduct at least 100 evaluations of responsible units per year (20 in each DNR region), either with individual responsible units, or in sessions with groups of responsible units, to review compliance with the effective program criteria.

Required Components of an Effective Program

An effective recycling program is required to have twelve specific components. A description of the statutory components is included in Appendix V. Administrative rule NR 544 implements these requirements by requiring responsible units to administer a program that has all of the following components:

- An ordinance to require recycling of the banned materials in all residences and non-residential facilities and properties. The ordinance must prohibit the landfilling or burning of materials subject to the 1995 bans that are separated for recycling. The responsible unit may impose forfeitures for the violation of its recycling ordinance;

- Public education and information about how to recycle, reduce and reuse waste;

- A method for collecting, processing and marketing of recyclables from single-family and two- to four-unit residences;

- Curbside collection in municipalities with populations of 5,000 or greater and a population density greater than 70 persons per square mile. These municipalities must provide, at least monthly, curbside collection from single-family and two- to four-unit residences for at least newspaper, glass, aluminum and steel containers, plastic containers made of PETE (polyethylene terephthalate or #1 plastic) or HDPE (high density polyethylene or #2 plastic), and either corrugated paper or magazines, and must provide drop off collection for materials that are not collected

curbside. Municipalities with populations of less than 5,000 or a population density of 70 persons per square mile or less are not required to provide curbside collection, but at a minimum must offer drop-off collection from single-family and two- to four-unit residences;

- Meet specific per capita total collection standards for eight recyclable materials, as shown in Table 1. Prior to July 1, 2005, the standards required responsible units to meet the collection standards for each of the recyclable materials. Effective July 1, 2005, administrative rule changes establish the collection standards as the total amount for all of the listed banned materials.;

Table 1: NR 544 Standards for Collection of Recyclables: Pounds Per Person Per Year*

Type of Recyclable	Rural Municipalities**	Other Municipalities
Newspaper	36.0	47.0
Corrugated Paper	6.0	7.0
Magazines	7.0	9.0
Aluminum Containers	1.4	1.8
Steel and Bi-Metal Containers	7.0	9.0
Plastic Containers	4.0	5.0
Glass Containers	22.0	29.0
Foam Polystyrene Packaging	<u>0.3</u>	<u>0.4</u>
Total	83.7	108.2

* A responsible unit must meet the total collection standard, except that a multiple-municipality responsible with a membership of rural and other municipalities may meet a prorated standard for each material by the entire responsible unit.

** Rural municipalities are those with a population of 5,000 or less or a permanent population density of less than 70 persons per square mile. Municipalities that do not meet that population criterion fall into the other category.

- Equipment and staff necessary to operate and enforce the program;

- Provisions for the management of postconsumer waste that is generated within the responsible unit;

- A reasonable effort to reduce the amount of recyclable materials subject to the 1995 landfill bans, that are generated as solid waste and

disposed of in a landfill.

- Beginning August 1, 2006, a compliance assurance plan describing the procedure the responsible unit will follow to address, at a minimum, one commonly encountered type of non-compliance with recycling requirements specified in its recycling ordinance; and

- Submittal of an annual program report to DNR that contains specified information and describes how the local program meets state requirements.

Required Components of a Recycling Ordinance

Administrative rule NR 544 requires that the recycling ordinance adopted by any responsible unit with an effective recycling program must include the following requirements:

- Occupants of single-family and two- to four-unit residences, multiple-family dwellings and non-residential facilities and properties must either separate for recycling the banned materials or send the materials to a licensed processing facility that recovers materials for recycling;

- Owners of multi-family dwellings and non-residential facilities and properties must provide recycling containers, information for users and provide for collection of recyclable materials;

- Recyclable materials that are subject to the statewide bans on landfilling or incineration must be prohibited from such disposal;

- Owners of non-residential properties must notify, at least semi-annually, all users, tenants, and occupants of the properties of how to appropriately recycle materials that are subject to the landfill bans; and

- Enforcement must include penalties consistent with statewide enforcement provisions.

Implementation of Effective Recycling Programs

The structure of local recycling programs varies. Responsible units generally collect recyclable materials through one of two methods. Curbside collection is the collection of materials that are set out at the curb of the residence where they were generated. Drop-off collection is the collection of materials at centralized locations where people who generate the recyclables deliver or "drop-off" the materials.

In 2007, 41% of the state's population lived in responsible units that only had curbside collection programs, 52% lived in responsible units with curbside and/or drop-off collection and 8% lived in responsible units where only drop-off collection was available to residents. Over 99% of responsible units with populations over 5,000, and over 98% of the population in those responsible units, had access to curbside collection or a combination of curbside and drop-off collection. Over 94% of the responsible units with populations less than 5,000, and 85% of the population in those responsible units, had access to curbside collection or a combination of curbside and drop-off collection.

Responsible units may choose to own or operate a materials recovery facility (MRF) as part of their effective recycling program, or contract with a separately-owned MRF, or neither. A materials recovery facility is a facility where materials banned from landfills, and not mixed with other solid waste, are processed for reuse or recycling. A MRF is required to submit a self-certification form to DNR that the facility complies with state requirements, before the MRF begins to serve a responsible unit. The self-certification includes information about the operations of the facility, types and amounts of materials processed, storage capacity, procedures in place to prevent nuisance conditions or discharges of contaminants to the environment from the materials, and certification that the facility produces recovered recyclable materials in accor-

dance with market quality specifications. The MRF must also annually submit a certification renewal and report to DNR.

Responsible units reported to DNR that they collected a total of 688,701 tons of recyclable materials from residences in 2007. The amount of recyclable materials collected by responsible units in 1994 through 2007, as reported to DNR, is shown in Table 2. Approximately 60% of recyclable materials collected in 2007 were materials subject to the 1995 bans and 35% was yard waste subject to the 1993 bans. Residential recycling programs collected an average of 145 pounds per capita of the 1995 banned materials in 2007. In addition, based on optional reports of collection of other recyclable materials, responsible units collected an average of 243 pounds of recyclable materials per capita in 2007. This compares to 250 pounds in 1995 and a high of 302 pounds per capita in 1998.

DNR contracted with Franklin Associates, Ltd., to conduct waste characterization studies of recyclable materials for DNR in 1990, 1995, and 2000. The Franklin studies produced estimates for the quantities of residential and commercial municipal solid waste that is generated, recycled, landfilled, and combusted in Wisconsin. The studies estimated that collected recyclable materials represented a statewide average of 34% of municipal solid waste generated in 2000 (residential and commercial solid waste). The actual recycling rates vary among municipalities.

In 2002, DNR contracted with Cascadia Consulting to conduct a municipal solid waste composition and quantification study. The Cascadia study produced an estimate of the quantity of municipal solid waste that is landfilled, based on taking 400 samples from 14 landfills.

DNR used the study data to analyze how successful local recycling programs have been both in diverting banned materials from landfills and in

Table 2: Recyclable Materials Collected by Responsible Units and Reported to DNR (tons)

Year	Materials Banned from Landfills as of 1995*		Other Banned Materials**	Non-Banned Materials***	Total
	Yard Waste				
1994	226,701	213,635	18,018	3,195	461,549
1995	360,669	210,288	22,598	47,316	640,871
1996	361,001	241,492	20,848	76,344	699,685
1997	389,161	280,213	25,950	71,682	767,006
1998	379,772	288,606	26,703	99,240	794,321
1999	389,381	278,275	26,668	70,994	765,318
2000	386,302	252,479	24,956	66,846	730,583
2001	394,297	260,047	23,498	49,214	727,056
2002	387,060	248,165	25,927	53,341	714,493
2003	387,877	260,396	22,097	65,240	735,610
2004	407,660	281,506	19,315	21,142	729,623
2005	407,004	283,489	15,867	21,872	728,232
2006	414,635	267,388	13,558	23,019	718,550
2007	411,047	241,149	14,000	22,504	688,701

*Includes old newspapers, old magazines, old corrugated cardboard, office paper, aluminum cans, steel cans, glass containers, plastic containers, co-mingled containers and polystyrene foam.

** Includes appliances, tires, lead acid batteries, and used oil.

*** Includes scrap metal, used clothing or textiles, miscellaneous recyclables, waste electronics, and residential mixed paper.

determining the average amounts and ranges of recyclable materials found in the waste stream, and diverted from landfills. DNR estimates of the recycling rates for several materials banned from Wisconsin landfills are shown in Table 3. As DNR analyzed the study data, the Department also estimated an overall landfill diversion rate, which factored recycling, plus combustion of solid waste with energy recovery, plus yard waste managed at home. The estimated landfill diversion rate was 40.4% in 2000 to 2002.

More recently, DNR used data from annual reports submitted by responsible units in 2005 and 2006 to estimate that collected recyclable materials represented a statewide average of 24% of municipal solid waste generated. DNR also estimated that the total diversion rate, including composting or yard waste managed at home (10%), and incineration with energy recovery (3%), represented approximately 36% of municipal solid waste generated.

Table 3: DNR Estimates of the Recycling Rate for Various Materials and Landfill Diversion Rate

Material (2000 to 2002 Data)	Estimated Recycling Rate
Lead acid batteries, major appliances and tires	over 95%
Yard waste	78%
Corrugated cardboard	72%
Newspaper	67%
Glass containers	57-74%
Aluminum and steel cans	approx. 55%
Plastic containers	41-51%
Magazines	31-35%
Office paper	28-57%
2002 Overall average landfill diversion rate *	40.4%
2005 to 2006 Overall average landfill diversion rate *	36%

* The DNR estimate includes recycling, plus combustion with energy recovery, plus yard waste managed at home.

Enforcement of Effective Program Requirements

DNR has not issued any notices of noncompliance to responsible units since 2004. DNR notified a few responsible units of minor noncompliance issues through letters, discussions or meetings, but the issues were not serious enough to issue a notice of noncompliance. Examples of noncompliance concerns included responsible units not doing a sufficient job of: (a) providing adequate collection of recyclables; (b) requiring businesses to recycle; (c) completing a compliance assurance plan; and (d) submitting an annual report in a timely manner.

DNR has worked with responsible units on a few cases where the responsible unit took enforcement action against a waste hauler that was collecting separated recyclables with solid waste and landfilling all of the materials.

Responsible units reported to DNR that in 2006 and 2007, they took the following actions related to

enforcing landfill bans: (a) 484 responsible units issued verbal warnings in 2006, and 494 issued them in 2007; (b) 217 issued written warnings in 2006, and 214 issued them in 2007; and (c) 46 issued citations in 2006, and 49 issued them in 2007.

Exceptions, Variances and Waivers to the Effective Program Criteria

DNR may grant a variance to a specific responsible unit from certain effective program criteria for one or more of the materials subject to the 1995 landfill and incinerations bans. DNR may grant the variance to a specific responsible unit if a cost of selling processed material exceeds certain criteria. A description of the conditions under which a variance may be granted is included in Appendix VI.

There are certain exceptions to the 1995 bans which apply to effective recycling programs. These include exceptions for materials in regions with a grandfathered incinerator, incinerators that burn solid waste as a supplemental fuel, certain medical waste, unexpected emergency conditions, beneficial reuse of a material within a landfill, contaminated materials and certain plastics (foam polystyrene packaging and plastic containers other than PETE or HDPE) if recycling is not feasible. Appendix IV describes these situations. Issuance of variances, waivers or conditional waiver eliminates for effective recycling programs the requirement to separate those materials, or the prohibition on disposal or incineration of those materials, or both.

In October, 1996, DNR issued a waiver to the collection and disposal requirements for #3 through #7 plastic containers and polystyrene foam packaging, based on a departmental study that indicated that it is not feasible or practical to continue collecting these materials under current market conditions. The waiver has been in effect for over 12 years and will continue until one year after DNR determines that markets are available for these materials.

Pilot Program for Alternative Compliance With Effective Program Requirement

In 2001 Act 16, a pilot program was created to offer up to nine responsible units an alternative method of complying with the effective recycling program requirements of materials to be recycled by allowing them to select materials to be recycled instead of the materials subject to the 1995 landfill and incineration bans. Participation in the program was voluntary. The pilot program ended on December 31, 2005.

The pilot program was implemented through an amendment to administrative rule NR 544. Responsible unit applicants were required to identify materials to be recycled from at least four of seven categories listed in the rule (paper, organics, metal, glass, plastic, special wastes, and other waste) and at least nine of the 29 materials listed.

The City of Kenosha was the only applicant for the pilot program. DNR approved Kenosha's pilot program and the program began to operate in 2004. The City chose to eliminate curbside collection of glass, and instead, offer residents an opportunity to drop off some construction materials such as clean wood, concrete, stone, brick and masonry for recycling at designated locations. There was public resistance to eliminating the collection of glass. Kenosha discontinued its participation in the pilot program in 2005, resumed recycling glass, and switched to single stream collection of recyclables. Single stream collection is a system where all of the recyclables being collected (such as newspaper, cardboard, plastic, and glass) are mixed together in a collection truck, instead of being sorted by the resident, and are transported to a processing facility to be sorted into marketable commodities. DNR officials indicate that Kenosha's experience demonstrated that: (a) municipalities need to anticipate the public commitment to recycling banned materials in an established local program; and (b) responsible units are reluctant to make a significant change in an established recycling program unless the changes have been thoroughly evaluated, and

can be continued beyond the duration of the pilot program.

Out-of-State Waste

1989 Act 335 and 1997 Act 27 established requirements for governmental units located outside Wisconsin to receive approval as effective recycling programs in order to dispose of solid waste in Wisconsin. Several of these provisions were found to be unconstitutional by federal courts. Provisions related to out-of-state waste are described in Appendix VII.

Solid Waste Haulers

Haulers who collect and transport solid waste are required to be licensed by DNR under solid waste management statutes and are required to comply with the solid waste landfill bans. Administrative rule changes effective July 1, 2005, require haulers who collect and transport municipal solid waste to notify their clients (the contracting entity or the entity that arranges for collection and transportation service) of the need to comply with state and local recycling requirements. Haulers are also required to provide information to responsible units about the amount of recyclable materials collected under contract with the responsible unit, within four weeks of a written request from the responsible unit.

DNR sends annual letters to licensed haulers of solid waste and recyclable materials as part of the annual license renewal process to review the recycling and landfill ban requirements. This includes reminding haulers of the requirements that haulers must: (a) annually notify their customers about state and local recycling requirements and landfill bans; and (b) keep collected recyclable materials separate from solid waste, and must maintain separated recyclables in clean condition. In addition, DNR notifies haulers that equipment containing cathode ray tubes (such as in computers and

televisions), and certain types of light bulbs, might have lead or mercury levels high enough to meet the definition of hazardous waste. Such hazardous

wastes from businesses or institutions can not be disposed of in Wisconsin landfills. Household hazardous wastes are not subject to this prohibition.

STATE-FUNDED RECYCLING FINANCIAL ASSISTANCE

State law includes several state-funded programs that provide financial assistance to local governments and businesses for solid waste recycling and waste reduction purposes. These programs are funded from the segregated recycling and renewable energy fund (recycling fund). The revenue sources for this fund include a recycling surcharge and a recycling tipping fee. The recycling fund and revenue sources are described at the end of this Chapter. The recycling fund also funds costs of administering these programs and of administering and enforcing many of the recycling regulations discussed in other sections of this paper. Appendix I lists recycling financial assistance program costs and administrative, regulatory and enforcement costs that are funded from the recycling fund.

deleted the sunset of the appropriation. 2007 Act 20 increased the annual amount of grant funding to \$31,000,000 beginning in 2008. Annual funding amounts are shown in Table 4.

Beginning in 2002-03, for calendar year 2003, \$1,900,000 annually is appropriated for recycling efficiency incentive grants. The voluntary program provides additional recycling program grants for responsible units that consolidate, enter into cooperative agreements with other responsible units, or enact other efficiencies. The sum of the basic plus efficiency incentive grant may not exceed the actual net eligible recycling costs incurred two years before the year for which the efficiency incentive grant is made. The program is

Table 4: Municipal and County Recycling Grant Program Funding Levels 1990-91 Through 2008-09

Municipal and County Recycling Grant Program	Calendar Year	Fiscal Fiscal Year	Basic Recycling Grant	Efficiency Incentive Grant	Total Amount
	July 1, 1990 to Dec 31, 1991				
	1992	1990-91	\$18,500,000	\$0	\$18,500,000
	1993	1991-92	18,500,000	0	18,500,000
	1994	1992-93	23,800,000	0	23,800,000
	1995	1993-94	29,849,200	0	29,849,200
	1996	1994-95	29,200,000	0	29,200,000
	1997	1995-96	29,200,000	0	29,200,000
	1998	1996-97	29,200,000	0	29,200,000
	1999	1997-98	24,000,000	0	24,000,000
	2000	1998-99	24,000,000	0	24,000,000
	2001	1999-00	24,500,000	0	24,500,000
	2002	2000-01	24,500,000	0	24,500,000
	2003	2001-02	24,500,000	0	24,500,000
	2004	2002-03	24,500,000	1,900,000	26,400,000
	2005	2003-04	24,500,000	1,900,000	26,400,000
	2006	2004-05	24,500,000	1,900,000	26,400,000
	2007	2005-06	24,500,000	1,900,000	26,400,000
	2008	2006-07	24,500,000	1,900,000	26,400,000
	2009	2007-08	31,000,000	1,900,000	32,900,000
		2008-09	<u>31,000,000</u>	<u>1,900,000</u>	<u>32,900,000</u>
	Total		\$484,249,200	\$13,300,000	\$497,549,200

The municipal and county recycling grant program was created in 1989 Act 335 to provide financial assistance to responsible units for eligible recycling expenses incurred from July 1, 1990, through calendar year 1999. Grant funding exceeded \$29,000,000 in each of 1994 through 1997. 1997 Act 27 provided \$24,000,000 annually for grant funding beginning in 1998 and extended the grant program through the year 2000. 1999 Act 9 increased the annual amount of grant funding to \$24,500,000 beginning in 2000 and

described in a subsequent section.

Eligibility for Grant Awards

Responsible units with DNR-approved effective recycling programs are eligible for grants under

the municipal and county recycling grant program. Table 5 provides a summary of the current eligibility criteria and allocation method. From 1992 through 2009, the grants were calculated using the formulas shown in Table 6.

Table 5: Municipal and County Recycling Grant Program Award Current Eligibility and Allocation Method

- Eligible uses of grant funds include expenses for planning, constructing or operating one or more of the components of an effective recycling program, or to comply with the 1993 yard waste ban.
- Eligible capital expenses are limited to annual depreciation, or equipment on an hourly use basis, with the exception of the purchase of land.
 - Grants are only available to responsible units with DNR-approved effective recycling programs
 - Application postmark date required by October 1 of prior year
 - Late applications reduced to receive: if postmark date after October 1 and by October 10, 95% of the awarded amount; if postmark date after October 10 and by October 20, 90%; if postmark date after October 20 and by October 30, 75%; and if postmark date after October 30, no grant
- Grant award paid by June 1 of calendar grant year

Table 6: Municipal and County Recycling Grant Program Allocation Formula by Year

Year	Formula
1992	66% of the difference between eligible expenses and avoided disposal costs or \$6 per capita, whichever is less.
1993-1999	66% of the difference between eligible expenses and avoided disposal costs or \$8 per capita, whichever is less.
1992-1999	Minimum grant: If the amount calculated is less than 33% of eligible expenses, the grant equals 33% of eligible expenses.
1992-1999	Minimum for certain counties: Counties that are responsible units for at least 75% of the population of the county are guaranteed a minimum grant of \$100,000, if they have eligible expenses equal to or greater than that amount.
1993-1999	Statutory per capita proration: If available funds are insufficient to fund grants under the above schedules, the first step in prorating grants is to ensure that all grantees eligible for \$6 per capita receive this amount before any grantee receives between \$6 and \$8 per capita.
1994-1999	Supplemental grant for volume-based fees: 10% of grant funds will be allocated to responsible units imposing volume-based fees for residential solid waste collection. The total basic plus supplemental grant may not exceed the responsible unit's eligible expenses.
1994-1999	Supplemental grant for multifamily residences: Any funds remaining from the supplemental grant for volume-based fees above may be used for supplemental grants to responsible units that provide for collection of recyclable materials from multifamily residences and that impose volume-based fees for residential solid waste collection. The total basic plus supplemental grants may not exceed the responsible unit's eligible expenses.
1992-1999	DNR administrative rule proration formula: If funds are not available to support the \$6 per capita payment, DNR is directed to develop a process by administrative rule to prorate grant funds. Under administrative rule NR 542, the proration formula maintains the minimum \$100,000 grant for counties that are responsible units representing at least 75% of that county's population, and prorates all other grants by an equal percentage.
2000-2009	Proportional distribution: Provide a grant to responsible units equal to the same percentage of the total grant funding as the responsible unit received or would have received in 1999.

For the 18 grant periods through 2008 (2007-08 grants), Table 7 shows the number of responsible units of government eligible for awards, the total award amount before proration in 1992 through 1999 (eligible grant amount under the formula), the amount by which individual grants were prorated, if applicable, and the average per capita award. Table 7 includes information about both the basic and efficiency incentive grants.

Awards in 1990 Through 1999

In 1990 (fiscal year 1990-91), the first year grants were awarded under the municipal and county grant program, grants for the period from July 1, 1990, through December 31, 1991, were allocated through a special expedited process.

Grants for 1991 through 1999 were allocated based on a complex formula based on eligible expenses, "avoided disposal costs," and other factors. Avoided disposal costs are those costs that are not incurred by the responsible unit because material is recycled rather than disposed of by landfilling or incineration (such as landfill tipping fees).

The basic grant award in 1999, the last year the formula was used, was determined by first calculating 66% of the difference between eligible expenses and avoided disposal costs or \$8 per capita, whichever was less. The second step was to compare this amount with 33% of eligible expenses. The responsible unit received the greater of these two amounts. Third, counties that are responsible units for at least 75% of the county's population were guaranteed a minimum annual grant of \$100,000 if they had eligible expenses equal to or greater than that amount. The final step was to prorate all grant awards by an equal percentage (after providing the minimum \$100,000 grants to certain counties) to meet available funding.

Ten percent of funds available for 1994 through 1999 grants were allocated for supplemental grants for volume-based fees. The supplemental grant was calculated by dividing the available funds by the population subject to volume-based fees in the responsible units that imposed volume-based fees for residential solid waste collection. The population of the responsible unit that was subject to volume-based fees could be smaller than the population of the responsible unit. The total of basic plus supplemental grant could not exceed the responsible unit's eligible recycling expenses.

Awards in 2000 and Subsequent Years

1999 Act 9 (the 1999-01 biennial budget) changed the grant formula in 1999-00 for 2000 and subsequent grant years. The Legislature enacted a change to a per capita based grant formula. However, as a result of the Governor's partial veto, the formula was changed to a proportional distribution based on 1999 awards.

In order to be eligible for a grant in 2000, a responsible unit had to have received financial assistance in 1999 and DNR had to have determined that the responsible unit has an effective recycling program. In 2000, 11 responsible units applied for and did not receive grants because they did not receive a grant in 1999.

Beginning in the 2001 grant year and in subsequent years, the requirement that a responsible unit have received a grant in 1999 does not apply. Instead, responsible units receive a grant equal to the same percentage of the total grant funding as the responsible unit received, or would have received, in 1999. For example, if a responsible unit received 1% of the total grant funds in 1999, the responsible unit receives 1% of the total grant funds in 2008. This proportional distribution remains in effect.

Table 7: Summary of Municipal and County Recycling Grant Amounts

Calendar Year*	Number of Grantees	Net Eligible Recycling Costs	Formula Award Amount	Actual Award Amount	Proration Percent	Average Per Capita Award Amount
1990/1991 final	1,860**	NA	NA	\$18,500,000	NA	\$3.77
1992 final	870	\$35,588,600	\$19,268,400	18,452,200	95.4%	4.07
1993 final	941	48,520,200	26,276,600	23,741,300	89.8	4.98
1994 final Basic	1,001	56,520,200	29,495,400	26,860,700	90.6	5.44
Supplemental	<u>211</u> ***	<u>NA</u>	<u>NA</u>	<u>2,943,900</u>	<u>NA</u>	<u>10.50</u>
Total	1,001	56,520,200	29,495,400	29,804,500	NA	6.04
1995 final Basic	1,010	61,023,800	30,832,100	26,182,500	84.1	5.21
Supplemental	<u>283</u> ***	<u>NA</u>	<u>NA</u>	<u>2,914,100</u>	<u>NA</u>	<u>6.92</u>
Total	1,010	61,023,800	30,832,100	29,096,600	NA	5.80
1996 final Basic	1,018	66,340,000	33,194,200	26,278,600	78.1	5.18
Supplemental	<u>299</u> ***	<u>NA</u>	<u>NA</u>	<u>2,915,900</u>	<u>NA</u>	<u>5.89</u>
Total	1,018	66,340,000	33,194,200	29,194,500	NA	5.75
1997 final Basic	1,016	68,842,900	34,123,800	26,268,900	75.9	5.13
Supplemental	<u>290</u> ***	<u>NA</u>	<u>NA</u>	<u>2,917,900</u>	<u>NA</u>	<u>5.84</u>
Total	1,016	68,842,900	34,123,800	29,186,800	NA	5.71
1998 final Basic	1,018	71,442,200	34,963,200	21,440,200	59.6	4.15
Supplemental	<u>292</u> ***	<u>NA</u>	<u>NA</u>	<u>2,417,900</u>	<u>NA</u>	<u>4.38</u>
Total	1,018	71,442,200	34,963,200	23,858,100	NA	4.61
1999 final Basic	1,011	73,262,600	35,221,300	21,731,500	59.8	4.18
Supplemental	<u>296</u> ***	<u>NA</u>	<u>NA</u>	<u>2,397,900</u>	<u>NA</u>	<u>4.13</u>
Total	1,011	73,262,600	35,221,300	24,129,400	NA	4.64
2000 final Total	999	76,581,100	NA	24,312,500	NA	4.66
2001 final Total	1,011	84,124,200	NA	24,276,700	NA	4.59
2002 final Total	1,016	82,624,400	NA	24,387,500	NA	4.53
2003 final Basic	1,016	84,426,600	NA	24,404,900	NA	4.50
Efficiency Incentive	<u>110</u>	<u>NA</u>	<u>NA</u>	<u>1,900,000</u>	<u>NA</u>	<u>0.71</u>
Total	1,016	84,426,600	NA	26,304,900	NA	4.84
2004 final Basic	1,013	85,661,000	NA	24,383,300	NA	4.48
Efficiency Incentive	<u>77</u>	<u>NA</u>	<u>NA</u>	<u>1,900,000</u>	<u>NA</u>	<u>0.74</u>
Total	1,013	85,661,000	NA	26,283,300	NA	4.83
2005 final Basic	1,010	90,136,100	NA	24,409,700	NA	4.43
Efficiency Incentive	<u>148</u>	<u>NA</u>	<u>NA</u>	<u>1,898,200</u>	<u>NA</u>	<u>0.66</u>
Total	1,010	90,136,100	NA	26,307,900	NA	4.78
2006 final Basic	1,012	93,952,900	NA	24,435,000	NA	4.40
Efficiency Incentive	<u>120</u>	<u>NA</u>	<u>NA</u>	<u>1,900,000</u>	<u>NA</u>	<u>0.71</u>
Total	1,012	93,952,900	NA	26,335,000	NA	4.74
2007 final Basic	1,008	98,387,100	NA	24,414,600	NA	4.37
Efficiency Incentive	<u>124</u>	<u>NA</u>	<u>NA</u>	<u>1,900,000</u>	<u>NA</u>	<u>0.70</u>
Total	1,018	98,387,100	NA	26,314,600	NA	4.71
2008 award Basic	1,018	102,695,200	NA	30,787,900	NA	5.47
Efficiency Incentive	<u>227</u>	<u>NA</u>	<u>NA</u>	<u>1,900,000</u>	<u>NA</u>	<u>0.65</u>
Total	1,018	102,695,200	NA	32,687,900	NA	5.81

NA: Not applicable

*For final grants, this equals the lesser of the actual net eligible recycling costs and the net eligible recycling costs that were estimated at the time of the initial grant award.

**This equals the 1990 total of 1,849 municipalities plus 11 Indian tribes. Since the first expedited grant installment was made to all municipalities and Indian tribes, and subsequent installments only to responsible units, this is the maximum number of units that received any of the expedited grant installments.

***All grantees that received a supplemental grant in 1994 through 1999 or an efficiency incentive grant in 2003 through 2008 first received a basic grant.

Table 8: Municipal and County Recycling Grants: Eligible Cost, Grant Award and Award as Percent of Costs (\$ in Millions)

Calendar Year	Net Eligible Recycling Costs	Award Amount**	Grant Award as % of Net Eligible Costs
1992	\$35.6	\$18.5	52.0%
1993	48.5	23.7	48.9
1994	56.5	29.8	52.7
1995	61.0	29.1	47.7
1996	66.3	29.2	44.0
1997	68.8	29.2	42.4
1998	71.4	23.9	33.5
1999	73.3	24.1	32.9
2000	76.6	24.3	31.7
2001	84.1	24.3	28.9
2002	82.6	24.3	29.4
2003	84.4	26.3	31.2
2004	85.7	26.4	30.8
2005	90.1	26.3	29.2
2006	94.0	26.3	28.0
2007	98.4	26.3	26.7
2008*	102.7	32.7	31.8

*Estimated net eligible recycling costs in 2008. Final net eligible recycling costs in prior years.

**As of the 2003 grant year, includes basic grant plus efficiency incentive grant.

Awards as a Percent of Recycling Costs

Table 8 shows the total state grant award as a percent of the net eligible recycling costs. In 1992, the first year of the grant formula, grant awards averaged 52% of net eligible recycling costs. The award as a percent of costs decreased in subsequent years to 26.7% in 2007, based on a total award distribution of \$26.3 million for the basic plus recycling efficiency incentive grant, and \$98.4 million in actual net eligible recycling costs.

In 2008, the most recent grant award cycle, the appropriation for municipal and county recycling grants increased from \$24.5 million to \$31.0 million. The 2008 grant awards of \$32.7 million (including \$30.8 million in basic grants plus \$1.9 million in recycling efficiency incentive grants) averaged 31.8% of the estimated \$102.7 million in net eligible recycling costs. The award as a percent of net eligible recycling costs varied considerably for individual responsible units.

The 2008 grant amount was calculated as the same percentage of the 2008 appropriation of \$31,000,000 as the responsible unit received or would have received of the 1999 appropriation of \$24,000,000. The actual grant amount of \$30,787,900 was capped by the projected net eligible recycling costs for each responsible unit, and was reduced by any late application penalty.

For the 2008 grant year, Tables 9 through 14 show the distribution of basic plus efficiency incentive grant awards in several different ways and include the population represented by the responsible units receiving those awards, the net eligible recycling costs, the total grant award, the average per capita grant award and the grant award as a percent of net eligible recycling costs.

Table 9 shows the distribution of 2008 basic plus efficiency incentive grant awards by type of local government unit. While 58.3% of the responsible units were towns, towns represented 16.9% of the population of responsible units that

Table 9: 2008 Municipal and County Recycling Grants to Responsible Units (RUs) by Governmental Unit Type

Type	Number of RUs	Population	Net Eligible Recycling Costs	Basic Plus Efficiency Incentive Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
Town	594	949,034	\$12,763,977	\$3,753,996	\$3.96	29.4%
Village	240	652,676	14,727,378	3,480,441	5.33	23.6
City	129	2,546,818	55,139,934	15,731,470	6.18	28.4
County	34	1,414,468	18,469,132	9,263,647	6.55	50.2
Indian Tribe	10	20,575	1,150,907	251,452	12.22	21.9
Other	<u>11</u>	<u>44,517</u>	<u>443,858</u>	<u>206,854</u>	<u>4.65</u>	<u>46.6</u>
Total	1,018	5,628,088	\$102,695,186	\$32,687,859	\$5.81	31.8%

received grant awards and 11.5% of the total grant award dollars. Responsible units that are cities represented 45.3% of the population and 48.1% of the total grant award dollars. While the statewide average award as a percent of the net eligible recycling costs was 31.8% and the average award per capita was \$5.81, these measurements varied by responsible unit.

Most of the responsible unit grant recipients had populations under 2,500. As shown in Table 10, the 727 responsible units with populations under 2,500 represented 71.4% of the responsible units that received grants, 13.4% of the population served through the grants and 11.1% of the total grant award dollars in 2008. In comparison, six responsible units with populations of 100,000 or greater represented 0.6% of the responsible units, but included 26.4% of the population that received grants and 28.3% of the total grant award dollars in 2008.

Table 11 lists the number and total dollar amount of 2008 recycling grant awards received by the size of the award and includes the population represented within each category. Table 11 shows that 490 grant awards, totaling \$1,142,634, were less than \$5,000 each, and were made to responsible units representing a total population of 412,098. These grants represent approximately 7.3% of the population of grantees and 3.6% of the awarded

grants. Eight grant awards were each \$500,000 or larger, totaling \$10,373,419, and were made to approximately 29.5% of the population served with approximately 31.7% of the grant award dollars in 2008.

For the 2008 grant year, the total basic plus efficiency incentive grant award averaged \$5.81 per capita. The award averaged 31.8% of the net eligible recycling costs. Table 12 shows that the distribution of grants by per capita category varied among responsible units. Approximately 14.6% of the grantees, with 5.5% of the total grantee population, received awards that averaged less than \$2 per capita, with awards averaging 18.1% of total net eligible recycling costs. In comparison, 66 responsible units, with 4.3% of the total grantee population, received awards that averaged \$10 and over per capita, with these awards averaging 37.1% of the net eligible recycling costs of the 66 responsible units.

Table 13 shows the grant award as a percent of the net eligible recycling costs. The award as a percent of net eligible recycling costs varied widely, ranging from 2% to over 100% of net eligible recycling costs. (Three responsible units had basic plus efficiency incentive grants that exceeded the estimated net eligible recycling costs for 2008, but the sum of the two awards did not exceed the actual net eligible recycling costs for 2006.) In the group

Table 10: 2008 Municipal and County Recycling Grants to Responsible Units (RUs) by Population Size

Population	Number of RUs	Population	Net Eligible Recycling Costs	Basic Plus Efficiency Incentive Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
Less than 2,500	727	754,960	\$12,835,466	\$3,634,094	\$4.81	28.3%
2,500 - 4,999	120	414,427	7,598,848	2,041,850	4.93	26.9
5,000 - 9,999	69	487,053	9,090,778	2,692,865	5.53	29.6
10,000 - 24,999	60	919,354	19,091,673	5,658,796	6.16	29.6
25,000 - 49,999	26	915,943	15,068,372	5,437,639	5.94	36.1
50,000 - 99,999	10	653,113	9,822,115	3,975,119	6.09	40.5
100,000 and over	<u>6</u>	<u>1,483,238</u>	<u>29,187,935</u>	<u>9,247,496</u>	<u>6.23</u>	31.7
Total	1,018	5,628,088	\$102,695,186	\$32,687,859	\$5.81	31.8%

Table 11: 2008 Municipal and County Recycling Grants to Responsible Units (RUs) by Amount of Award

Award Amount	Number of RUs	Population	Net Eligible Recycling Costs	Basic Plus Efficiency Incentive Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
\$1 - \$4,999	490	412,098	\$4,612,454	\$1,181,476	\$2.87	25.6%
5,000 - 9,999	172	267,044	4,039,210	1,215,595	4.55	30.1
10,000 - 24,999	180	539,258	10,385,758	2,710,730	5.03	26.1
25,000 - 49,999	72	513,164	10,501,027	2,520,802	4.91	24.0
50,000 - 99,999	34	432,770	9,020,855	2,525,229	5.84	28.0
100,000 - 499,999	62	1,804,926	32,270,167	12,160,607	6.74	37.7
500,000 and over	<u>8</u>	<u>1,658,828</u>	<u>31,865,715</u>	<u>10,373,419</u>	<u>6.25</u>	<u>32.6</u>
Total	1,018	5,628,088	\$102,695,186	\$32,687,859	\$5.81	31.8%

Table 12: 2008 Municipal and County Recycling Grants to Responsible Units (RUs) by Award Per Capita

Award Per Capita	Number of RUs	Population	Net Eligible Recycling Costs	Basic Plus Efficiency Incentive Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
\$0.01 - \$1.99	149	308,340	\$2,416,801	\$436,993	\$1.42	18.1%
2.00 - 3.99	263	709,947	9,065,379	2,270,121	3.20	25.0
4.00 - 5.99	326	2,134,502	37,737,254	11,274,104	5.28	29.9
6.00 - 7.99	153	1,872,570	40,253,095	12,564,285	6.71	31.2
8.00 - 9.99	61	359,084	4,949,915	3,070,254	8.55	62.0
10.00 and over	<u>66</u>	<u>243,645</u>	<u>8,272,742</u>	<u>3,072,102</u>	<u>12.61</u>	<u>37.1</u>
Total	1,018	5,628,088	\$102,695,186	\$32,687,859	\$5.81	31.8%

Table 13: 2008 Municipal and County Recycling Grants to Responsible Units (RUs) by Award as a Percent of Net Eligible Recycling Costs

Award as % of Net Eligible Recycling Costs	Number of RUs	Population	Net Eligible Recycling Costs	Basic Plus Efficiency Incentive Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
0.1% - 19.99%	201	919,344	\$29,013,200	\$4,595,475	\$5.00	15.8%
20 - 39.99	472	2,902,297	54,450,773	16,618,435	5.73	30.5
40 - 59.99	208	1,044,939	12,283,805	6,029,732	5.77	49.1
60 - 79.99	77	486,142	4,764,021	3,368,911	6.93	70.7
80 - 100 *	<u>60</u>	<u>275,366</u>	<u>2,183,387</u>	<u>2,075,305</u>	<u>7.54</u>	<u>95.1</u>
Total	1,018	5,628,088	\$102,695,186	\$32,687,859	\$5.81	31.8%

* For three Responsible Units, the basic plus efficiency incentive grant exceed 100% (101.9%, 103.6% and 108.8%) of the estimated 2008 net eligible recycling costs, but the sum of the two grants does not exceed the actual net eligible recycling costs for 2006.

of 60 responsible units that had awards that averaged 80% or more of net eligible costs, the per capita award ranged from \$0.16 to almost \$19. The variation in the award as a percent of net eligible cost is due to factors such as what activities responsible units choose to include in their recycling program, what activities responsible units included in 1999 when the current formula was created (since 1999, responsible units have received the same percentage of the total grant as they received in 1999), the costs of various curbside collection or drop-off collection program components, and the costs of transportation of collection activities in densely or sparsely populated responsible units.

Table 14 lists the 70 responsible units with grant awards of \$100,000 or greater for the 2008 grant year. These responsible units include 32 cities, 32 counties, five villages, and one town. Grants to the 70 responsible units include 61.5% of the total grantee population and 68.9% of the total grant awards. The grant award for the 70 responsible units as a percent of net eligible recycling costs varied from 11% to over 100%, depending on the 1999 grant amount, estimated net eligible costs and whether the responsible unit received an efficiency incentive grant.

Administration of Grants

The grant program is administered by DNR in the Bureau of Community Financial Assistance in the Customer and Employee Services (CAES) Division central office. In 2008-09, the central office is authorized 2.0 segregated (SEG) recycling and renewable energy fund positions to administer the municipal and county recycling grant program, the waste reduction and recycling demonstration grant program and the recycling efficiency incentive grant program.

Audit of Grants and Responsible Units

Prior to 2001-02, the statutes directed DNR to

annually audit at least 5% of the recipients of the grants to ensure that funded programs and activities meet established requirements. DNR audited 108 grants totaling \$24.5 million received by 44 recipients of 1992 through 1999 grants. DNR audits resulted in some adjustments to eligible expense totals, but audited responsible units generally received their entire grant. No responsible units were disqualified from grant eligibility as a result of an audit.

Under 2001 Act 16, the auditing requirement was changed. DNR is required to annually review the effective recycling programs of at least 5% of the responsible unit grant recipients to ensure that programs and activities funded by responsible unit grants meet the requirements of the program. Based on 1,018 responsible unit grant recipients, DNR would need to review at least 51 programs annually to comply with the annual review requirement. In each of 2001-02 through 2007-08, DNR exceeded that requirement.

In 2006-07, DNR reviewed 130 responsible unit programs, and in 2007-08, DNR reviewed 147 programs. This represented 12% to 14% of responsible unit programs. DNR selected programs for review that had prior problems with the program, had provided incomplete annual report information, had received complaints from residents, had a lower annual recycling rate than the per capita goals, or had an exceptionally good program that could provide lessons about how to operate a successful program.

DNR regional staff made site visits to review programs and worked with responsible units to correct any observed program deficiencies. DNR has not placed any responsible units on probation as a result of the reviews. However, staff followed up on non-compliance issues with several responsible units, and all of the issues were addressed by responsible units to the satisfaction of DNR staff within the specified timeframes.

Table 14: 2008 Municipal and County Recycling Grants to Responsible Units (RUs) - Largest 70 Grant Awards Includes All Awards of \$100,000 or Greater

Municipality/County	Population	Net Eligible Recycling Costs	Basic Plus Efficiency Incentive Grant Award	Per Capita Grant Award	Award as a % of Net Eligible Recycling Costs
Milwaukee, City*	590,190	\$10,450,000	\$3,917,078	\$6.64	37.5%
Waukesha, County*	272,766	5,135,002	1,603,903	5.88	31.2
Madison, City	224,810	6,257,488	1,210,048	5.38	19.3
Outagamie, County*	191,440	1,676,387	969,568	5.06	57.8
Eau Claire, County*	100,012	1,066,384	815,077	8.15	76.4
Green Bay, City*	104,020	4,602,674	731,823	7.04	15.9
Kenosha, City	95,530	1,206,645	592,006	6.20	49.1
Racine, City*	80,060	1,471,135	533,917	6.67	36.3
West Allis, City*	60,410	1,192,436	428,201	7.09	35.9
Oshkosh, City*	65,810	1,225,758	402,371	6.11	32.8
Portage, County*	60,130	1,106,993	372,307	6.19	33.6
Chippewa, County*	56,627	537,594	367,596	6.49	68.4
Manitowoc, City*	34,620	495,450	360,738	10.42	72.8
Oconto, County*	38,958	490,825	347,567	8.92	70.8
Janesville, City	62,720	701,333	342,702	5.46	48.9
Pierce, County*	40,569	656,471	336,827	8.30	51.3
Neenah, City*	25,430	1,198,507	335,952	13.21	28.0
St. Croix, County*	69,646	530,822	333,358	4.79	62.8
Wauwatosa, City*	45,930	1,182,254	313,597	6.83	26.5
La Crosse, City*	51,580	631,586	307,254	5.96	48.6
Sheboygan, City	50,600	1,217,813	295,407	5.84	24.3
Waupaca, County*	43,261	642,726	292,832	6.77	45.6
Dunn, County*	40,369	731,781	264,747	6.56	36.2
Monroe, County*	42,706	549,411	244,586	5.73	44.5
Polk, County	45,455	240,160	240,160	5.28	100.0
Vernon, County*	29,908	617,923	238,581	7.98	38.6
Fond Du Lac, City	43,270	800,680	237,860	5.50	29.7
Columbia, County*	40,670	792,016	234,526	5.77	29.6
Beloit, City*	37,110	871,085	233,481	6.29	26.8
Wausau, City	40,080	664,800	224,389	5.60	33.8
Greenfield, City*	36,140	595,576	210,913	5.84	35.4
Vilas, County	22,545	477,582	179,200	7.95	37.5
Superior, City*	27,160	482,561	170,675	6.28	35.4
Allouez, Village*	15,450	820,872	165,332	10.70	20.1
West Bend, City	30,220	683,441	163,913	5.42	24.0
Adams, County*	19,737	193,412	162,799	8.25	84.2
Watertown, City	23,166	1,242,705	162,417	7.01	13.1
Fitchburg, City	23,240	468,674	157,679	6.78	33.6
De Pere, City*	22,670	1,388,690	156,495	6.90	11.3
Buffalo, County	11,909	157,659	156,478	13.14	99.3

Table 14 (continued): 2008 Municipal and County Recycling Grants to Responsible Units (RUs) - Largest 70 Grant Awards Includes All Awards of \$100,000 or Greater

Municipality/County	Population	Net Eligible Recycling Costs	Basic Plus Efficiency Incentive Grant Award	Per Capita Grant Award	Award as a % of Net Eligible Recycling Costs
Richland, County	16,555	\$176,160	\$153,705	\$9.28	87.3%
Oneida, County*	31,631	312,700	149,608	4.73	47.8
Jackson, County*	19,621	176,183	142,325	7.25	80.8
Washburn, County*	17,403	137,828	140,413	8.07	101.9 **
Oak Creek, City	32,410	656,613	139,197	4.29	21.2
Burnett, County*	16,324	133,964	138,768	8.50	103.6 **
Two Rivers, City*	12,575	344,300	138,578	11.02	40.2
Taylor, County	15,055	264,635	137,702	9.15	52.0
Menomonee Falls, Village*	34,450	330,661	137,463	3.99	41.6
Ashwaubenon, Village*	17,785	274,950	136,032	7.65	49.5
South Milwaukee, City	21,285	533,265	133,046	6.25	24.9
Waushara, County	24,406	183,078	131,898	5.40	72.0
Barron, County	35,723	201,593	129,167	3.62	64.1
Door, County	30,043	306,000	129,167	4.30	42.2
Menominee, County	4,606	164,545	129,167	28.04	78.5
Wisconsin Rapids, City*	18,500	381,367	122,005	6.59	32.0
Weston, Village	14,408	262,388	121,552	8.44	46.3
Cudahy, City*	18,530	483,116	121,429	6.55	25.1
Muskego, City	22,980	423,056	119,314	5.19	28.2
Menasha, City*	17,354	556,960	118,538	6.83	21.3
Monroe, City	10,920	349,280	116,515	10.67	33.4
Iron, County	7,002	115,700	115,700	16.52	100.0
Forest, County	10,329	108,806	108,806	10.53	100.0
Whitefish Bay, Village	13,830	529,140	104,362	7.55	19.7
Marquette, County	14,301	102,083	102,083	7.14	100.0
Marshfield, City	19,346	325,360	101,401	5.24	31.2
Menasha, Town*	17,180	225,500	100,610	5.86	44.6
Glendale, City	12,970	420,816	100,590	7.76	23.9
Rusk, County	14,013	100,524	100,524	7.17	100.0
Florence, County	5,295	100,000	100,000	18.89	100.0
Total - 70 largest Grants Basic Plus REI Grant \$100,000 or Greater	3,463,754	\$64,135,881	\$22,534,026	\$6.51	35.1%
Total Less than \$100,000	2,164,334	38,559,304	10,153,832	4.69	26.3%
Statewide Total - 1,018 Grants	5,628,088	\$102,695,186	\$32,687,859	\$5.81	31.8%
70 Largest Grants % to Total	61.5%	62.5%	68.9%		

*Municipality/county received a recycling efficiency incentive grant (REI). The 70 municipalities/counties received \$1,587,041 (83.5%) of \$1,900,000 in REI grants awarded in 2007-08.

** The basic plus efficiency incentive grant exceeds 100% of the estimated 2008 net eligible recycling costs, but the sum of the two grants does not exceed the actual net eligible recycling costs for 2006.

Recycling Efficiency Incentive Grant Program

In 2001 Act 16, a recycling efficiency incentive grant program was created. The program is appropriated \$1,900,000 annually from the recycling and renewable energy fund. A recycling efficiency incentive grant plus a municipal and county recycling grant may not exceed the net eligible costs that the responsible unit incurred in the year two years before the year for which the efficiency incentive grant is made. For example, a recycling efficiency incentive grant awarded in 2008-09 for calendar year 2009, may not exceed the total net eligible costs from calendar year 2007 and reported to DNR in 2008.

Responsible units may choose whether to apply for a grant under the program. DNR promulgated administrative rule chapter NR 549, effective April 1, 2003, to administer the recycling efficiency incentive grant program. Under NR 549, responsible unit applicants are authorized to claim the following types of efficiencies:

1. The responsible unit was formed by the consolidation of two or more prior responsible units.
2. The responsible unit entered into a cooperative agreement with at least one other responsible unit for: (a) direct recycling services by or for the responsible unit; or (b) private vendor services to be shared by the participating responsible units.
3. A county could receive an efficiency incentive grant in 2003 if it had formally been designated by cities, towns, and villages within its jurisdiction to serve as the recycling responsible unit before March 31, 2003. In grant years after 2003, a county may receive one recycling efficiency incentive grant if the designation as responsible unit took place after April 1, 2003. No county has received an efficiency incentive grant after 2003.

Applications to DNR must have a postmark date by the October 30 before the grant year, and shall claim that a recycling efficiency was implemented between October 31 of the previous year and October 30 of the year in which the application is made, and was in place before April 30 of the year in which the application is made. Grants are awarded in June of the following year, after the basic grants are awarded. For example, applications for 2007-08 funding for calendar year 2008 were required to be postmarked by October 30, 2007, and were required to claim that a recycling efficiency was implemented between October 31, 2006, and October 30, 2007, and was in place before April 30, 2007. Efficiencies could include formal consolidation agreements of two or more responsible units or new written cooperative agreements for direct recycling services or shared private vendor services.

In November, 2008, DNR notified responsible units that the Department would reduce the amount awarded in 2008-09 for calendar year 2009 recycling efficiency incentive grants by \$400,000, from the appropriated amount of \$1.9 million to \$1.5 million. DNR established a new application deadline of January 15, 2009. DNR plans to use the \$400,000 grant reduction amount to meet part of the Department's obligation to transfer funds to the state's general fund under deficit reduction requirements of 2007 Wisconsin Acts 20 and 226. Those acts require the Department of Administration to allocate \$460 million among most agencies as lapses or transfers to the general fund.

Under the NR 549 recycling efficiency incentive grant administrative rule, eligible costs include the grant applicant's costs of operating the recycling program minus the proceeds from the sale of recycled material, that are reasonable and necessary for planning, constructing or operating a recycling program.

If responsible unit applicants claim that they are implementing a recycling efficiency through a cooperative agreement for joint services or private

vendor services, the agreement must be entered into with the expectation of either a reduction in eligible costs for the year or an increase in the quality or scope of the recycling program for the year in which the responsible unit attributes the efficiency measures. The agreement must address at least one of the following elements: (a) comprehensive program planning; (b) collection and transportation of recyclables; (c) sorting recyclables at a materials recovery facility; or (d) educational efforts about waste reduction, reuse and recycling.

Under NR 549, DNR awards a grant to each responsible unit that submits a complete application that is approved by the Department. The grant amount is determined as follows: (a) DNR determines a per capita grant amount by dividing the appropriated grant funds by the sum of the population of all responsible units with approved applications; (b) the per capita amount is multiplied by the population of each eligible responsible unit to determine the grant amount; (c) DNR limits the grant amount so that the grant plus the basic recycling grant does not exceed the net eligible costs that the responsible unit incurred in the year two years before the year for which the efficiency incentive grant is made; and (d) DNR distributes all funds in a grant year to eligible applicants until all eligible applicants have received their statutory maximum awards.

Table 15 summarizes the recycling efficiency incentive grants awarded for calendar year 2003 (2002-03) through 2008 (2007-08). The average per capita grant amount includes capping of the grant for a few responsible units at a lower per capita amount so that the grant would not exceed the net eligible costs that the responsible unit incurred two years before the year for which the efficiency incentive grant was made.

Some of the types of recycling efficiencies implemented through the 2008 grant cycle include cooperative agreements between multiple responsible units for recycling glass, mixed paper, plastic,

Table 15: Summary of Recycling Efficiency Incentive Grants

Calendar Year/Efficiency Incentive Type	Number of RUs	Population	Award Amount	Avg. Per Capita Award Amount
2003				
County	29	1,274,877	\$884,320	
Cooperative agreement	64	1,366,008	973,892	
Consolidation	<u>17</u>	<u>61,681</u>	<u>41,788</u>	
Total	110	2,702,566	\$1,900,000	\$ 0.71
2004				
Cooperative agreement	74	2,455,406	\$1,835,282	
Consolidation	<u>3</u>	<u>101,765</u>	<u>64,718</u>	
Total	77	2,557,171	\$1,900,000	\$ 0.74
2005				
Cooperative agreement	147	2,861,755	\$1,877,984	
Consolidation	<u>1</u>	<u>30,793</u>	<u>20,243</u>	
Total	148	2,892,548	\$1,898,227	\$ 0.66
2006				
Cooperative agreement	120	2,694,600	\$1,900,000	\$ 0.71
2007				
Cooperative agreement	124	2,706,040	\$1,900,000	\$ 0.70
2008				
Cooperative agreement	226	2,943,983	\$1,893,899	
Consolidation	<u>1</u>	<u>8,495</u>	<u>6,101</u>	
Total	227	2,952,478	\$1,900,000	\$ 0.65

and light bulbs. In addition, groups of responsible units have cooperated on educational outreach efforts, recycling at multi-family dwelling complexes, recycling at convenience stores, marketing research, development of new marketing materials to promote recycling, and glass crushing to produce road aggregate.

Waste Reduction and Recycling Grant Programs

DNR administers a recycling and renewable energy fund appropriation that includes two waste reduction and recycling programs that provide assistance for projects that reduce the amount of waste generated or disposed of. Prior to 2005-06, the appropriation was used solely for the waste reduction and recycling demonstration grant program. Beginning in 2005-06, the appropriation is

also used for business waste reduction and recycling assistance. Under 2007 Act 20, the appropriation amount was increased from \$500,000 annually to \$1,500,000 annually, beginning in 2007-08, with the intent of allocating the increase for business waste reduction and recycling assistance. However, DNR may determine how much to allocate to each of the two purposes.

The appropriation had an unencumbered balance from prior year appropriations of \$416,900 on July 1, 2008, and is appropriated \$1,500,000 in 2008-09 from the recycling and renewable energy fund. In 2007-08, DNR transferred \$602,800 from the appropriated funds to the general fund as part of the deficit reduction requirements of 2007 Wisconsin Act 20 and 226. In November, 2008, DNR submitted a lapse allocation plan for 2008-09 to the Department of Administration (DOA) under Acts 20 and 226 that included transferring \$1,311,400 from the waste reduction and recycling grant appropriation to the general fund.

Waste Reduction and Recycling Demonstration Grants

The waste reduction and recycling demonstration grant program provides cost-share grants to municipalities, counties, schools, other public entities, businesses and nonprofit organizations for projects which implement innovative waste reduction and recycling activities. DNR is also authorized to issue requests for proposals for projects that include waste reduction and recycling activities eligible for funding under this program. Projects funded under a request for proposal do not have to be innovative. DNR requests for proposals may also emphasize community-wide waste reduction efforts. Positions allocated to DNR for the municipal and county recycling grants program also manage the waste reduction and recycling demonstration grant program.

DNR is directed to consider the following criteria when deciding eligibility and determining the amount of the demonstration grant: (a) the weight

or volume of solid waste to be diverted from disposal; (b) the types of waste reduction and recycling activities to be implemented; (c) existing waste reduction and recycling activities; (d) existing and anticipated solid waste management needs; (e) the value of implementation of the waste reduction or recycling activities as a demonstration project; and (f) the implementation of innovative technologies, including the application or implementation of innovative technologies in a project which employs a proven technology. A grant may not exceed 50% of the project's actual eligible costs, or 75% of the actual eligible costs of a community-wide waste reduction project, or \$150,000, whichever is less. DNR may not award grants to any applicant that cumulatively total more than \$250,000.

DNR awarded up to \$500,000 in grants in each in the last few years. Table 16 shows the number and amount of grant awards by fiscal year from 2002-03 through 2007-08. As of October, 2008, DNR has made 192 program grants totaling \$13.3 million. Table 17 lists the funded recycling demonstration projects by the category of project from 1991 through October, 2008. The largest categories of grant projects are plastic, and construction and demolition wastes, each with \$2 million in grants, representing 15% of grant awards, and industrial wastes with \$1.9 million in grants, representing 14.5% of grant awards.

Table 16: Waste Reduction and Recycling Demonstration Grant Awards

Year	Number of Grant Awards	Amount
2002-03	4	\$282,494
2003-04	6	267,134
2004-05	10	478,312
2005-06	7	473,865
2006-07	6	499,154
2007-08	5	500,000

For the 2008-09 grant cycle, DNR accepted 16 applications totaling \$1,559,300 in August, 2008. In November, 2008, DNR decided not to award any

Table 17: Waste Reduction and Recycling Demonstration Grant Awards as of October, 2008

Category	Projects	Percent of	
		Funding	Funding
Plastic	21	\$2,015,545	15.2%
Construction and Demolition	29	1,963,414	14.8
Industrial Waste	29	1,926,255	14.5
Paper	18	1,443,339	10.8
Collection and Marketing Efficiency	26	1,040,307	7.8
Hazardous Waste	12	650,556	4.9
Composting	9	551,465	4.1
Glass	7	519,885	3.9
Food and Other Organics	8	493,560	3.7
Waste Reduction	9	436,376	3.3
Other Wastes *	<u>24</u>	<u>2,255,871</u>	<u>17.0</u>
Total	192	\$13,296,573	100.0%

* Some examples of other wastes are textiles, computers, electronics, oil filters, wheelchairs, nonrecyclable paper or plastic, and medical waste.

demonstration grants in 2008-09, and instead, to transfer the \$500,000 to the general fund as part of the lapse requirements under Acts 20 and 226.

Business Waste Reduction and Recycling Assistance

In 2005 Act 25, DNR was authorized to use the waste reduction and recycling appropriation to contract with a nonprofit organization for services to assist businesses to reduce the amount of solid waste generated or to reuse or recycle solid waste. Under a 2007 Act 20 modification, any contract under the program must include goals and objectives, methods to measure progress toward the goals and objectives, and a schedule for reporting to DNR on the use of funds and progress toward the goals and objectives. In addition, DNR may not provide more than \$250,000 annually to any nonprofit organization.

As of October, 2008, DNR entered into five contracts totaling \$508,100 (including contract extensions) with two nonprofit organizations. Three of the contracts were awarded through a request for proposals issued in the fall of 2006. Project topics included:

- \$25,000 to develop recommendations that DNR can use to work with responsible units of local government to increase recycling by businesses.

- \$62,500 to develop a web-based market exchange for recycling and reuse of construction and demolition materials, and to streamline and automate maintenance and update procedures.

- \$295,600 to work with the Department of Administration Division of State Facilities to train state staff and contractors on how to integrate recycling and reuse of construction and demolition debris into state facility projects.

- \$75,000 to investigate environmentally, economically and technically feasible options to divert food waste from municipal solid waste, including to use food waste at a wastewater treatment plant to produce methane to power electrical generators, and to make fertilizer.

- \$50,000 to develop on-line resources that can be used by recycling managers to assist businesses understanding and complying with state and local recycling laws.

Recycling Market Development Programs

Recycling market development programs were administered by the former Department of Development (now Commerce) from 1991-92 through 1994-95. The Department spent \$15.1 million on recycling market development grants, loans, technology assistance and rebates for qualified recycling equipment.

The Recycling Market Development Board (RMDB) existed from 1993-94 through 2003-04, and took over responsibility for many recycling market development programs. The RMDB promoted the development of markets for recovered materials

and maximize the marketability of these materials. The RMDB administered several recycling market development programs that provided financial assistance to governmental entities or business entities to assist waste generators in the marketing of recovered materials or to develop markets for recovered materials. In 2003 Act 33, the RMDB was repealed.

The RMDB awarded a cumulative total of \$26.6 million in financial assistance and included funds provided from the recycling fund and from repayments of previous loans. Of the \$26.6 million awarded by the Board, the largest use of funds was for the Board's recycling loan program. Almost \$13.1 million, or 49% of awarded funds, was approved for recycling loans. The RMDB also spent \$4.8 million on recycling rebates to manufacturers (18%) and the remaining funds on grants, technical assistance, research, administrative services and education.

Loan repayments received after the program ended in August of 2003 are deposited in the general fund. In 2003-04 through 2006-07, a total of \$3,286,800 in loan repayments was received as revenue to the general fund. In 2007-08, \$345,600 in loan repayments was received. It is expected the last loan repayments for the program will be received in 2008-09, and will total approximately \$51,000.

**Segregated Recycling and
Renewable Energy Fund**

The majority of state solid waste recycling and waste reduction programs are funded from the segregated recycling fund, which is a separate, nonlapsable trust fund. The recycling fund was created in 1989, and was renamed the recycling and renewable energy fund in 2007 Act 20. This fund receives revenues from a recycling surcharge established in 1991 and a recycling tipping fee

effective January 1, 2000.

Table 18 shows actual revenues and expenditures for the recycling and renewable energy fund for 2006-07 and 2007-08 and estimated figures for 2008-09. An unappropriated balance of approximately \$1.6 million is expected on June 30, 2009. Revenues to the recycling fund totaled \$50.2 million in 2007-08 and expenditures totaled \$39.2 million. In 2008-09, revenues are expected to total \$50.8 million and expenditures will total approximately \$47.2 million. In addition, \$0.8 million was transferred to the general fund in 2007-08, and approximately \$9.7 million is expected to be transferred to the general fund in 2008-09 under 2007 Acts 20 and 226. For a complete listing of individual appropriations from the segregated recycling and renewable energy fund, see Appendix I.

Table 18: Recycling and Renewable Energy Fund Condition – 2006-07 Through 2008-09 (\$ in Millions)

	2006-07 Actual	2007-08 Actual	2008-09 Estimated
Revenues			
Opening Balance -- July 1	\$3.0	\$7.4	\$17.8
Recycling Surcharge	23.5	25.1	21.5
Recycling Tipping Fee	22.9	24.1	28.8
Interest Income and Other	<u>0.9</u>	<u>1.0</u>	<u>0.5</u>
Total Revenue	\$47.3	\$50.2	\$50.8
 Total Available	 \$50.3	 \$57.6	 \$68.6
Program Expenditures			
Recycling Grants to Local Governments	-\$26.4	-\$32.9	-\$32.5
Other Expenditures	-3.9	-6.3	-14.7
Encumbrances and Continuing Balances	0.0	0.0	-10.2
 Transfer to the General Fund	 <u>-12.6</u>	 <u>-0.8</u>	 <u>-9.7</u>
 Closing Balance -- June 30	 \$7.4	 \$17.8	 \$1.6

In 1991-92 through 2007-08, a total of \$111.7 million has been transferred from the recycling fund, including \$107.5 million to the general fund, and \$4.2 million to the conservation fund. In 1990-91, the first year of existence of the recycling fund,

\$29.7 million was transferred from the general fund to the recycling fund to provide funds for municipal and county recycling grants before recycling surcharge revenue was received. The amount transferred by year is shown in Table 19.

Table 19: Transfers To and From the Recycling and Renewable Energy Fund *

Fiscal Year	From Recycling Fund to General Fund	From Recycling Fund to Conservation Fund	Total Transfer From Recycling Fund
1991-92	\$4,750,000	\$0	\$4,750,000
1992-93	0	0	0
1993-94	0	0	0
1994-95	0	0	0
1995-96	21,100,000	0	21,100,000
1996-97	0	0	0
1997-98	3,850,000	0	3,850,000
1998-99	0	0	0
1999-00	15,000,000	0	15,000,000
2000-01	7,000,000	0	7,000,000
2001-02	7,100	0	7,100
2002-03	9,119,900	1,000,000	10,119,900
2003-04	7,273,900	0	7,273,900
2004-05	6,893,000	0	6,893,000
2005-06	19,142,100	3,255,100	22,397,200
2006-07	12,586,400	0	12,586,400
2007-08	756,100	0	756,100
2008-09 **	<u>9,715,700</u>	<u>0</u>	<u>9,715,700</u>
Total	\$117,194,200	\$4,255,100	\$121,449,300
General Fund			
Transfer to Recycling Fund (1990-91)			<u>- \$29,700,000</u>
Net Transfer from Recycling and Renewable Energy Fund			
			\$91,749,300

* The recycling fund was renamed the recycling and renewable energy fund in 2007 Act 20.

** The amount of the transfer to the general fund may change as DOA and agencies allocate agency-wide transfers required under 2007 Act 20 and 2007 Act 226.

Appendix II shows the cumulative recycling and renewable energy fund revenues and expenditures from 1990-91 through 2007-08 (including year-end encumbrances in 2007-08). Of the \$710.1 million in recycling fund revenues during the 18 years, the recycling surcharge provided \$510.4 million, or 71.9% of the total revenue, and recycling tipping fees provided \$22.8 million, or 20.4%. Recycling fund expenditures during 1990-91 through 2007-08 have totaled \$692.3 million. The largest cumulative expenditure category is the DNR municipal and county recycling grant program with \$451.5 million, or 65.2% of total expenditures. The recycling efficiency incentive grant program that was created effective 2002-03, had \$12.0 million of expenditures, or 1.7% of total cumulative expenditures. The two local recycling grant programs had combined total expenditures of \$463.5 million, which was 66.9% of total expenditures as of 2007-08.

The second largest amount of expenditures as of 2007-08 was from transfers to the general fund and conservation fund in several years, with a total of \$111.7 million transferred, or 16.1% of expenditures. Table 19 shows the amounts transferred from the recycling and renewable energy fund in each year. Table 19 includes the \$111.7 million transferred as of 2007-08, plus \$9.7 million anticipated to be transferred in 2008-09 under the requirements of 2007 Acts 20 and 226 (and not included in Appendix II).

Recycling market development financial assistance programs administered by the former Department of Development and Recycling Market Development Board through June 30, 2003, included \$36.9 million in expenditures, or 5.3% of total expenditures.

Recycling Surcharge

The state recycling surcharge is one of the two revenue sources for recycling programs. It was first imposed on businesses for tax years ending after April 1, 1991, and it remained in effect until April, 1999.

The recycling surcharge was eliminated for all businesses beginning with tax years ending after April, 1999. Consequently, taxpayers were generally not subject to the recycling surcharge for tax year 1999. However, 1999 Wisconsin Act 9 created a recycling surcharge on businesses, beginning in tax year 2000. The recycling surcharge is 3% of gross tax liability for corporations or 0.2% of net business income for nonfarm sole proprietorships, partnerships, limited liability companies taxable as partnerships and S corporations. There is a minimum payment of \$25 and a maximum payment of \$9,800. Farms and other businesses with less than \$4,000,000 in gross receipts are excluded from paying the surcharge. Noncorporate farms (sole proprietorships, LLCs taxable as partnerships and partnerships) with gross receipts in excess of \$4,000,000 pay the \$25 minimum payment. Farms organized as regular C and S corporations that are subject to the surcharge determine surcharge liabilities in the same manner as C and S corporations.

The Department of Revenue (DOR) is authorized to administer the surcharge under provisions governing administration of the individual and corporate income and franchise taxes, including provisions relating to audits and assessments, claims for refund, statutes of limitations, IRS adjustments, confidentiality, appeals, collections and set offs for debts owed other state agencies. In 2008-09, DOR is budgeted \$218,600 from the recycling fund with 1.0 position to administer the recycling surcharge.

Table 20 shows annual recycling surcharge col-

lections from 1991-92 through 2007-08. Total collections during this time period were \$510.4 million. Because amounts are periodically transferred between the general fund and the recycling and renewable energy fund to reflect estimated surcharge payments, collections in individual fiscal years can vary from the tax liability for a given fiscal year.

The 1999-00 collections of \$9.6 million represent residual payments under the former surcharge in tax years 1998 and earlier, and estimated payments under the new surcharge for tax year 2000. (As noted earlier, the surcharge was suspended in 1999.) Table 20 shows a total of \$25.5 million in recycling surcharge collections for 2003-04. However, the 2003-04 revenue includes \$6.7 million in corporate income and franchise tax estimated payments that were included in 2003-04 recycling surcharge collections. This amount was returned to the general fund from recycling surcharge collections in 2004-05. As a result, actual recycling surcharge collections would have been \$18.8 million in

Table 20: Recycling Surcharge Collections (\$ in Millions)

Fiscal Year	Amount*
1991-92	\$32.1
1992-93	36.8
1993-94	47.7
1994-95	40.6
1995-96	41.6
1996-97	51.5
1997-98	53.6
1998-99	35.9
1999-00	9.6
2000-01	26.3
2001-02	12.5
2002-03	15.4
2003-04	25.5
2004-05	13.2
2005-06	19.5
2006-07	23.5
2007-08	<u>25.1</u>
Total	\$510.4

* Due to transfers between the general fund and recycling and renewable energy fund to reflect estimated surcharge payments reported, collections for a fiscal year can vary from the surcharge tax liability for a given fiscal year.

2003-04 and \$19.9 million in 2004-05 if DOR would have credited collections to the proper year.

Recycling Tipping Fee

A \$4 per ton recycling tipping fee is the other revenue source to the recycling and renewable energy fund. The fee is assessed on all solid waste except high-volume industrial waste disposed of in landfills in Wisconsin, with a few exceptions. The recycling tipping fee was created in 1999 Act 9, at a rate of 30¢ per ton, effective for waste disposed of in Wisconsin landfills on or after January 1, 2000. The fee was increased to \$3 per ton effective January 1, 2002, and to \$4 per ton effective November 1, 2007. The fee is assessed quarterly.

Other state solid waste tipping fees are deposited in the environmental fund and program revenue accounts. Further information about landfill tipping fees deposited in the environmental fund can be found in the Legislative Fiscal Bureau informational papers titled "Contaminated Land and Brownfields Cleanup Programs" and "Nonpoint Source Water Pollution Abatement and Soil Conservation Programs."

Solid waste is excluded from the recycling tipping fee if it is disposed of by a nonprofit organization that provides services and programs for people with disabilities or that primarily serves low-income persons and that derives a portion of its income from the operation of recycling and reuse programs, if that waste is not commingled with waste that is subject to the tipping fee. State recycling tipping fees paid by municipalities are exempt from the budget test under the expenditure restraint program.

2003 Wisconsin Act 33 exempted from the recycling tipping fee all sludges, river sediments, or dredged materials that contain PCBs (polychlorinated biphenyls) that are removed in connection

with the remediation of contaminated sediments in a navigable water of the state, if the total quantity of the removed materials, either in an individual phase or in combination with other planned phases of remediation, will exceed 200,000 cubic yards. This exemption applies mainly to sediments dredged from the Fox River cleanup project, and potentially other large harbor contaminated sediment cleanups in the future. In calendar years 2004 through 2007, a total of 397,100 tons of sediment from the Fox River cleanup project were disposed of in a Wisconsin landfill, and were exempt from the recycling tipping fee under the provision. This included 125,200 tons in 2006 and 191,600 tons in 2007. It is likely that approximately 100,000 tons will be landfilled under the provision in 2008, and 450,000 to 700,000 in each of 2009 and 2010.

2005 Wisconsin Act 25 exempted from the recycling tipping fee, waste material that is removed from recycled materials intended for use as recycled fiber by a person that makes paper, pulp, or paperboard from wastepaper, if the waste material can not be used to make paper, pulp, or paperboard. In calendar years 2005 through 2007, a total of 54,464 tons were exempt from the recycling tipping fee under the provision, including 16,827 tons in 2006 and 34,372 tons in 2007.

Table 21 shows annual recycling tipping fee collections from 1999-00 through 2007-08. Total collections during this time period were \$144.6 million. Recycling tipping fee revenues are estimated at \$28.8 million in 2008-09 under the \$4 fee.

Table 21: Recycling Tipping Fee Collections (\$ in Millions)

Fiscal Year	Amount
1999-00	\$0.4
2000-01	2.0
2001-02	6.0
2002-03	22.4
2003-04	19.9
2004-05	23.7
2005-06	23.2
2006-07	22.9
2007-08	<u>24.1</u>
Total	\$144.6

Council on Recycling

The Council on Recycling was created in 1989 as a part-time advisory body appointed by the Governor to promote the efficient and prompt implementation of state programs relating to solid waste reduction, recovery and recycling and to advise and assist state and local agencies in the coordination of these programs and the exchange of information related to these activities. There are seven Council members serving business, government and the public-at-large. Each member serves a four-year term. The Council is staffed by DNR.

In addition to the general functions, the Council is directed to: (a) advise state agencies concerning the promulgation of administrative rules related to solid waste reduction, recovery and recycling; (b) advise DNR and the University of Wisconsin system concerning educational efforts and research related to these activities; (c) in cooperation with the packaging industry, recommend standards for recyclable packaging; (d) develop recommendations, advise and assist local officials and the automotive service industry to promote the recycling of used oil filters; (e) advise DNR concerning the development of a statewide plan for public service announcements that would provide information about recycling programs and the benefits of recycling; and (f) advise the Governor and the Legislature.

During 2007, the Council worked on the following activities: (a) maintained contact with state agencies involved in recycling, including the DNR, Department of Commerce, UW – Extension, and Department of Corrections; (b) continued to

support legislation related to recycling of computers, televisions, and other electronics (it did not pass); (c) supported the recommendations of the Governor's Task Force on Waste Materials Recovery and Disposal; (d) continued to review issues related to recycling of electronics; (e) continued to support legislation related to used oil filter recycling (legislation introduced in 2005 was not reintroduced); (f) worked with the Department of Administration (DOA) to incorporate federal guidelines for environmental performance criteria into purchasing contracts for electronics; (g) completed the work of a subcommittee on paper adhesives such as "stickies" or paper with glue, labels, and tape, and adopted a recommendation that all users of paper-to-paper label products purchase products that use recycling compatible adhesives; (h) worked with DOA to incorporate standards related to paper adhesives into state purchasing contract specifications for paper; and (i) provided a forum for the discussion of issues affecting recycling programs in the state.

During 2008, the Council focused on the following issues: (a) computers, televisions and other electronics; (b) paper, especially recycling compatible adhesives; (c) agricultural plastics; and (d) household hazardous waste collection.

DNR Recycling Staff

In 2008-09, DNR is authorized 19.9 positions from the segregated recycling and renewable energy fund for work on various recycling activities. This includes the following.

1. DNR performs the policy development, administrative, planning, evaluation, markets directory and data management functions through the work of 12.0 positions in the Bureau of Waste Management in the Air and Waste Division in the central office and by staff in five regional offices. Regional staff provide technical assistance and outreach to local governments on recycling, track and enforce compliance with conditions of approved effective recycling programs, and process applications for the municipal and county grant program.

2. The Bureau of Cooperative Environmental Assistance in the Air and Waste Division is authorized 1.0 business sector specialist to work with businesses to manage improved performance in business recycling.

3. The informational and educational functions are performed by the Division of Customer and Employee Services with 2.0 positions.

4. Administration of the recycling grant programs is performed by 2.0 positions in the Bureau of Community Financial Assistance in the Division of Customer and Employee Services.

5. Recycling enforcement activities are performed by 2.4 positions in the Division of Enforcement.

6. DNR also has accounting, purchasing and other financial management recycling-related responsibilities that are performed by 0.5 position.

individuals, groups, businesses, state agencies, counties and municipalities in all aspects of recycling, with an emphasis on documents and material that is easy to read and understand by the general public. This includes: (a) providing information about how to perform a study related to the composition of solid waste; (b) maintaining current estimates of the amount of components of solid waste generated by categories of businesses, industries, municipalities and other governmental entities; (c) providing information about how to manage solid waste consistent with the state's solid waste management priorities; and (d) providing technical assistance to local recycling programs.

The Department is required to collect, prepare and disseminate information, and conduct educational and training programs that assist in the implementation of the solid waste management programs. The educational programs must inform the public of the relationship between an individual's consumption of goods and services, the generation of different types and quantities of solid waste and the implementation of the solid waste management priorities. DNR is also required to prepare educational programs on a statewide basis for the following audiences: (a) municipal, county and state officials and employees; (b) kindergarten through graduate students and teachers; (c) private solid waste scrap brokers, dealers and processors; (d) businesses that use or could use recycled materials or which produce or could produce products from recycled materials and persons who serve or support these businesses; and (e) the general public.

Activities

DNR accomplishes its technical assistance, informational and educational responsibilities by establishing project work groups from various bureaus in DNR. In 2007-09, DNR worked with local and state elected officials and employees, students ranging in age from kindergarten to graduate students, teachers, solid waste brokers, dealers, processors and haulers, businesses that use or make products from recycled materials, other

DNR Education and Technical Assistance Responsibilities

Duties

DNR is responsible for providing technical assistance and comprehensive public information. DNR is required to provide technical assistance to

businesses, and the general public. DNR focused on several activities that are listed below.

1. Prepared, updated and provided fact sheets, newsletters, and publications related to general recycling issues.
2. Continued to improve DNR Internet web sites to provide information about recycling.
3. Provided communication and education tools and resources to responsible units for distribution to their residents, businesses, and institutions.
4. Maintained and promoted an internet-based green and healthy school program in partnership with the Wisconsin Department of Public Instruction.
5. Updated recycling outreach publications for daycare and kindergarten aged children.
6. Conducted recycling education workshops for educators of K-12 students.
7. Contracted with a nonprofit organization to develop business recycling outreach materials to assist businesses in meeting recycling requirements.
8. Worked with the Department of Administration to establish green purchasing of electronics (purchase of products that meet certain environmental specifications such as related to energy efficiency and the amount of hazardous or toxic materials used).

Other DNR Activities

Newspaper Recycled Content Target and Fee

Current law requires printers and publishers of

Table 22: Target Newspaper Recycled Content Percentages

Target Year	Percentage
1992 and 1993	10%
1994 and 1995	25%
1996 and 1997	35%
1998 and thereafter	33%

newspapers and some shopper guides to use newsprint that averages a mandated level of post-consumer recycled content. Table 22 shows the established targets for the percentage of recycled newsprint used by printers and publishers.

A newspaper recycling fee is assessed annually to the publisher of a newspaper that fails to meet the recycled content targets. Administrative rule NR 546 implements this provision. The amount of the newspaper recycling fee imposed on a publisher in any calendar year that the target is not met is 1% of the total cost of the newsprint used during the year multiplied by the recycling status factor, which is the target recycled content percentage minus the average recycled content percentage of the newsprint actually used.

The newspaper recycling fee does not apply to a publisher of a newspaper if: (a) the publisher documents that he or she is unable to obtain sufficient recycled content newsprint; and (b) the newspaper has a circulation of less than 20,000, the publisher requests an exemption, and DNR determines that compliance with the target recycled content requirement would create a financial hardship for the publisher. Prior to January 1, 2001, DNR was required to exempt every publisher that met or exceeded 30% recycled content for the year.

Printers and publishers reported compliance with the requirements of the newspaper recycled content requirement as shown in Table 23. Fees totaling \$55,500 have been paid for 1992 through 2007. The fees are deposited in the recycling and renewable energy fund.

Table 23: Compliance of Printers and Publishers with the Newspaper Recycled Content Requirement

Year	Exceeded or Met Requirements	Did Not Meet Requirements	Exemptions Granted	Fees Paid	Average Recycled Content
1992	69	2		\$353	23.4%
1993	78	0		0	28.9
1994	62	14		2,847	31.0
1995	48	26	21	610	27.3
1996	43	28	8	27,487	32.9
1997	58	14	9	1,323	37.6
1998	63	9	9	2,750	41.9
1999	55	10	2	696	42.6
2000	59	5	0	567	45.5
2001	45	13	1	8,887	42.9
2002	58	10	0	596	41.8
2003	55	4	0	39	47.1
2004	48	7	3	1,204	41.3
2005	49	5	3	1,526	42.8
2006	47	8	0	5,753	45.0
2007	42	11	0	815	46.0

For 2007, of the 53 printers and publishers that reported their use of recycled content newsprint, 42 met or exceeded the requirements, and 11 (21%) did not meet the mandated 33% post-consumer recycled content requirement and paid the fee. In addition, four publishers in 2006 and six in 2007 claimed an exception from the reporting requirement and fee under an administrative code provision that says publishers located out-of-state but that print in the state are not required to report their use of recycled content newsprint.

Waste Oil Collection and Recycling

Any business that sells automotive engine oil to consumers is required to either: (a) maintain an engine waste oil collection facility for the temporary storage of oil returned by consumers and post a sign to that effect; or (b) post at least one sign indicating the location and hours of operation of the nearest DNR-approved waste oil storage facility. If adequate approved waste oil storage facilities do not otherwise exist, local governments are required to provide these facilities. Anyone operating a facility for the recycling of engine waste oil must obtain a license and comply with all applicable requirements and regulations. Recycled waste oil must be clearly labeled "re-refined oil" or "re-

claimed oil," depending upon the method of recycling.

DNR is required to conduct public information and educational programs regarding the availability of collection facilities, the merits of recycled oil, the need for using recycled oil to maintain oil reserves and the need to minimize the disposal of waste oil in ways harmful to the environment.

Battery Collection and Disposal

Retail sellers of lead acid (automotive-type) batteries are required to accept a used battery in exchange for each battery sold. If the retailer does not install the new battery and the customer returns the used battery at a later time, the retailer may require the customer to provide proof that the customer purchased a battery from the retailer. In addition, the retailer may charge a refundable deposit of up to \$5 on the sale of a battery. Retailers are required to accept used batteries when the consumer has not purchased a new battery from the retailer. Under these circumstances, a retailer may charge up to \$3 for each accepted battery and may refuse to accept more than two batteries in one day from any person. DNR is responsible for enforcement of the provisions.

Recycling Cooperative Efforts

DNR works with local governments and businesses on mercury reduction programs. DNR provides information to the public about ways to collect and recycle mercury in homes (thermostats and thermometers), dental offices, school science laboratories, auto salvage businesses, and hospitals. DNR staff also perform outreach and education activities related to recycling of fluorescent light bulbs.

Wisconsin, six other states, the U.S. Environmental Protection Agency, and carpet industry representatives signed a memorandum of understanding in January, 2002, to promote carpet recycling. DNR staff work with businesses and municipalities to identify opportunities to promote recy-

cling of used carpet. DNR also worked with the Wisconsin Department of Administration to develop a new state purchasing contract for carpet that would provide an opportunity for state agencies and local governments to purchase carpets and padding that are made from recycled materials and to reclaim old carpet being discarded.

In 2005 and 2006, DNR worked with the state environmental agencies in Minnesota, Iowa, Michigan and Illinois, and with EPA, to develop a policy for the management of waste electronics. In May, 2006, the agencies announced agreement of a Midwest E-waste Policy Development Initiative, which supports the principles of encouraging manufacturers to collect, transport and recycle waste electronics. Products included in the policy include televisions, computer monitors and computer components. In 2008, electronic waste recycling legislation was introduced in the Wisconsin Legislature, but was not enacted.

In 2008, DNR began to work with the Minnesota Pollution Control Agency to explore ways of increasing the recovery of used beverage containers.

Reimbursement for Disposal of Contaminated Sediment

In 2007 Act 20, an appropriation was created from the recycling and renewable energy fund to reimburse certain responsible parties for the difference between the cost of disposing in Wisconsin and transporting certain PCB (polychlorinated biphenyls) contaminated sediment to an out-of-state hazardous waste disposal facility. While the program is not specifically a recycling program, it is mentioned in this paper because it is funded from the recycling and renewable energy fund. It is appropriated \$1,500,000 in 2007-08 and \$3,000,000 in 2008-09.

Under the program, an eligible applicant is a responsible party under certain federal requirements or has entered into a consent decree with DNR or EPA for remediation of PCB contaminated sediment in concentration of 50 parts per million or greater. The sediment would be dredged from the bed or bank of a navigable water in Wisconsin.

The applicant may request reimbursement of eligible costs incurred on or after May 1, 2007, including the costs of transportation, permits, and disposal fees for the disposal of PCB contaminated sediment out of state, less the costs for the disposal in state. DNR is required to pay each claim within 60 days of receiving a complete application. Applicants are required to submit a request for reimbursement within two years of the date the costs were incurred.

It is anticipated that most of the expenditures under the program in the next few years will relate to the Fox River PCB cleanup project. In addition, PCB removal projects on the Milwaukee, Sheboygan and Manitowoc Rivers, and other Wisconsin waters may also qualify.

DNR is required to promulgate administrative rules for the program, and is authorized to promulgate emergency rules. As of December, 2008, DNR had begun to promulgate administrative rules but had not promulgated emergency rules or forwarded proposed permanent rules to the Legislature.

The 2007-08 funding was not used and was lapsed to the balance of the recycling and renewable energy fund. In November, 2008, DNR included the \$3,000,000 appropriated in 2008-09 as part of its plan to transfer funds to the general fund under Acts 20 and 226.

University of Wisconsin System Activities

Solid Waste Experiment Centers and Solid Waste Research Council

In 1989, the UW Board of Regents was authorized to establish one or more solid waste experiment centers for the purpose of developing, demonstrating, promoting and assessing the costs and environmental effects of alternatives to solid waste disposal. In addition, The UW System was directed to conduct research into alternatives to solid waste disposal and the safe disposal of solid waste that cannot be recycled or composted. The Board was directed to appoint a Solid Waste Research Council to advise it regarding the awarding of solid waste research funds.

Prior to 1997-98, the UW System had allocated GPR funding and position authority for these purposes. However, 1997 Act 27 converted this funding to segregated monies from the recycling fund. The program currently is utilized to provide funding to UW System institutions for research into alternative methods for the disposal of solid waste. Under 2007 Act 20, \$156,400 SEG from the recycling fund was provided to the UW System in 2008-09 for solid waste research and experiments with \$40,900 budgeted for a 0.5 program manager position, and \$115,500 budgeted for Solid Waste Research Council research award funds.

The Solid Waste Research Council currently has 10 members representing eight UW campuses, UW-Extension and the UW System. Annually, the Council solicits proposals that investigate alternative methods of solid waste management, the reuse and recycling of materials, composting, source separation, and the disposal of household hazardous waste. For 2007-08, 11 recipients were awarded a total of \$116,100 including nine grants of \$7,000 each for student research projects.

UW-Extension Solid and Hazardous Waste Education Center

The University of Wisconsin-Extension Solid and Hazardous Waste Education Center (SHWEC) with branches at UW-Madison, UW-Stevens Point, UW-Green Bay, and UW-Milwaukee, was created in 1989. Positions within UW-Extension are authorized to provide statewide information on hazardous pollution prevention and to provide educational and technical assistance related to recycling. The Center also provides information on waste reduction; produces written materials, educational teleconference network programs, satellite conferences and video productions; and offers technical assistance to local governments and businesses on recycling, hazardous waste management, energy conservation, the use of renewable energy, pollution prevention, source reduction and other cost effective waste reduction programs. SHWEC staff conduct workshops through the recycling program, and have developed web-based resources to address recycling and solid waste management needs as well as for other outreach priorities such as pollution prevention and waste reduction. (The Center's hazardous waste management, energy conservation, renewable energy, and pollution prevention programs are not described in this paper.)

To carry out its programs, SHWEC receives funding from various sources. The Center is appropriated \$352,300 SEG from the recycling fund in 2008-09 for education and technical assistance in recycling and recycling market development. This funding supports 4.0 positions at two SHWEC locations including: (1) UW-Stevens Point - 1.0 industrial environmental education specialist; (2) UW-Extension Madison - 1.0 sustainable design specialist, 1.0 recycling specialist, and 1.0 program assistant, who supports the work of all center offices. In 2008-09, the UW-Extension has also internally allocated approximately \$85,000 GPR for SHWEC to support 1.0 faculty position in UW-Madison's College of Engineering.

In 2008-09, SHWEC received \$100,000 from various grants, contracts and revenue sources. This funding is used to provide technical assistance to industries, businesses, health care facilities, recyclers and other relevant entities to identify source reduction opportunities, methods to make products and packaging recyclable, appropriate recycling technologies, and the feasibility of using recyclable materials to manufacture other products.

Department of Administration Responsibilities

The Department of Administration (DOA) is responsible for establishing commodity procurement and disposal guidelines relating to recycled materials. The Department must create a resource recovery and recycling program to promote the reduction of solid waste by state agencies and authorities that includes the separation, recovery and disposition of recyclable materials and the procurement of recycled materials and recovered materials. The Department must require agencies and authorities to participate in these recycling programs. The statutes also require DOA to include local governmental units in these recycling efforts, when feasible.

In general, the statewide recycling law attempts to leverage state and local government procurement funding to encourage market development for recycled materials. Since state and local governments collectively constitute one of the largest purchasers of goods in Wisconsin, procurement guidelines that favor the use of recycled materials are thought to create stable markets for goods made from these materials. In turn, the development of stable markets should serve to lower the economic risks faced by manufacturers of commodities made from recycled and recovered materials.

DOA and other state agencies and authorities

with delegated purchasing authority are required to write commodity specifications that incorporate requirements for the procurement of products made from recycled materials and recovered materials, if the use of such materials is technologically and economically feasible. The law covers the purchase of paper and paper products, plastic and plastic products, glass and glass products, motor oil and lubricants, construction materials, furnishings and highway equipment. Specifications must consider, where practicable, recyclability and the ultimate disposition of purchased goods. Purchasing specifications must discourage the purchase of single-use products in favor of multiple-use, durable products.

Where practicable, DOA, agencies with delegated purchasing authority, state authorities, and participating local units of government are required to make purchases that are from a bidder who has the lowest life cycle cost, which may include the costs of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance, and disposition and resale.

The Department, agencies with delegated purchasing authority, state authorities, and participating local units of government are required to ensure that 40% of all paper purchased is made from recycled or recovered content.

Finally, DOA operates a program for state agencies and authorities that requires them to separate for recycling, all materials subject to landfilling and incineration bans. These bans are described in Chapter 1.

Department of Transportation Activities

The Department of Transportation (DOT) is required to use or encourage the use of the maximum possible amount of recovered materials in construction projects.

DOT indicates that it is complying with this requirement by developing technical standards for the use of various materials in construction and encouraging contractors to use these materials when possible. The Department does not generally require contractors to use recovered materials, but indicates that they are used if the contractor finds that their use would be economical. Some materials that have been used in projects include fly ash, paper mill ash, foundry sand, steel slag, glass, tires, pottery cull, and bottom ash. These materials are commonly used as fill for embankments or are blended with traditional materials to reduce the amount of those materials needed for the roadway base course.

In addition to the use of the recovered materials mentioned above, which are largely waste products from industrial activities, highway construction projects commonly reuse old paving material as the crushed aggregate for use in the base course of the new roadway. The Department's technical standards for the use of materials recovered from off site also include standards for the onsite recovery of old pavement materials.

Department of Agriculture, Trade and Consumer Protection Activities

The Department of Agriculture, Trade and Consumer Protection (DATCP) administers requirements related to labeling for plastic containers, recycled content of plastic containers, heavy metals content in packaging, truth in labeling and battery collection and disposal. DATCP estimates that it is using less than 0.1 FTE to administer these provisions, and most of its efforts are focused on issues of product compliance with these requirements. In addition, DATCP also administers the state's clean sweep program, which funds the collection and disposal of hazardous materials and is funded from the recycling and

renewable energy fund. Finally, in 2007-09, DATCP is administering a grant provided in 2007 Act 20 to develop a soybean crushing facility.

Plastic Container Labeling

Administrative rule ATCP 137 establishes labeling requirements for plastic containers, which provide information needed by operators of materials recovery programs to facilitate recycling or reuse of the containers. Each container is required to be labeled with a number and initials based on its composition. DATCP is authorized to grant a variance from the labeling requirements for containers for which labeling is not technologically possible. The variance is for up to one year and is renewable. Blister packs, which are defined as containers with a rigid backing to which a plastic film or preformed semi-rigid plastic covering is affixed, are exempt from labeling requirements. DATCP has not received any requests for variances to the labeling requirement. Occasionally the Department does receive requests for letters of non-objection because of plastic resin content of certain containers, and DATCP has issued such letters if the product is compatible with recycling streams.

Plastic Container Recycled Content

State law requires that plastic containers used for products sold at retail consist of at least 10% recycled or remanufactured material. This applies to containers required to be labeled under state law governing plastic resin composition. It does not apply to containers for food, beverages or drugs unless the federal Food and Drug Administration has approved the specific use of recycled or remanufactured material. In a 1996 survey of manufacturers, the last survey performed, DATCP found reasonable industry acceptance of current minimum recycled content requirements. However, the Department also encountered instances of non-compliance due to costs and poor container integrity for certain product contents, such as hazardous substances.

Heavy Metals Content in Packaging

The statutes direct that with a few exceptions, "a manufacturer or distributor may not sell a package, packaging material or packaging component with a total concentration of lead, cadmium, mercury plus hexavalent chromium" that exceeds 100 parts per million. A violation of these provisions is subject to a forfeiture of up to \$200. A 1993 DATCP report found most packaging materials being used and sold in the state are in compliance with the statute. Exceptions included some cans using solder, certain labeling inks and enamels, and specialized packaging such as lead wrapping for photographic film. In 2004, DATCP received two complaints related to mercury content of certain button cell batteries, but concluded after an investigation that the batteries were in compliance with current state and federal law. DATCP has received no complaints related to heavy metals content in packaging since 2004.

Truth in Labeling

Administrative rule ATCP 137 sets standards on the content of products represented as "recycled," "recyclable" or "degradable" and establishes that no person may label or represent any product in violation of these standards. The standards are intended to be consistent, to the greatest extent practicable, with nationwide industry consensus standards. Any person who labels or represents a product in violation of these standards is subject to a forfeiture of not less than \$100 nor more than \$10,000 for each violation. In 2003, DATCP received one complaint of improper labeling, which was related to improper resin labeling of plastic containers that resulted in a written assurance of corrective action from the manufacturer. In 2005, DATCP received five complaints of improper labeling, which were related to recycled content in envelopes, the proper recycling number code on plastic containers, and inquiries on plastic content. DATCP received two complaints in 2007. Both were resolved through mediation.

Battery Collection and Disposal

1993 Act 74 established collection and disposal regulations for certain batteries containing mercury. DATCP maintains a list of certified batteries. No person may sell a zinc carbon battery that is manufactured after July 1, 1994, or an alkaline manganese battery that is manufactured after January 1, 1996, unless the manufacturer has certified to DATCP that the battery contains no mercury that was intentionally introduced. No person may sell an alkaline manganese button cell battery that is manufactured after January 1, 1996, unless the manufacturer has certified to DATCP that the battery contains no more than 25 milligrams of mercury.

Waste mercuric oxide batteries, other than mercuric oxide button cell batteries, may not be treated, stored or disposed of except at approved collection sites. An operator of an approved collection site must recycle all collected waste mercuric oxide batteries unless no reasonable alternative exists. No person may sell a mercuric oxide, other than a mercuric oxide button cell battery, unless the manufacturer does all of the following: (a) identifies an approved collection site to which people may take used mercuric oxide batteries for recycling or proper disposal; (b) informs all purchasers of the battery of the collection site and the prohibition on disposal; (c) informs all purchasers of a telephone number that may be called to obtain information about returning the batteries for recycling or proper disposal; and (d) informs DATCP and DNR of the collection site and telephone number. DNR has general enforcement authority over the disposal and recycling provisions.

Clean Sweep Program

In 2003 Act 33, funding for DATCP's agricultural chemical and pesticide collection ("clean sweep") program and DNR's household clean sweep grant program was consolidated under the recycling fund and DATCP was directed to administer the combined programs. The program pro-

vides grants to counties and municipalities for the collection of pesticides, farm chemicals, and household hazardous wastes from farmers, businesses, households, schools and government agencies. DATCP revised administrative rule ATCP 34 to administer the new combined program, effective for calendar year 2005 clean sweep grants. In addition to collecting household and agricultural chemicals, 2007 Act 20 authorized DATCP to collect and dispose of unwanted prescription drugs under the clean sweep program.

For all grants, counties and municipalities must offer a minimum match of 25% of the clean sweep grant, where matching costs include cash or services. While there is no maximum grant award set in statute or administrative code, DATCP determines the maximum grant internally each grant cycle in an attempt to provide most eligible counties with some level of funding. The 2009 maximum grants are: (a) \$16,000 for a household waste temporary event, which is a project that collects chemical waste on fewer than four days in a calendar year; (b) \$22,000 for a household waste permanent facility; (c) \$9,000 for an agricultural waste temporary event; and (d) \$12,000 for an agricultural waste permanent facility. Counties and other municipalities have organized regional collections in recent years, and DATCP has funded such collections at levels appropriate to the circumstances of the region.

DATCP is authorized \$1 million recycling SEG annually for clean sweep grants in the 2007-09 biennium. Grant awards are made to reimburse a portion of local costs in a given calendar year. Therefore, grant totals may be greater than \$1,000,000 for a calendar year depending on when funds are disbursed. The maximum fiscal year allocation remains \$1,000,000. The Department in 2008 named 33 recipients for total agricultural and household chemical clean sweep grants of \$919,500. These grants will be made in the 2008-09 fiscal year for events in calendar year 2008. DATCP also made 12 awards for a total of \$95,600 for pharmaceutical collections taking place in 2008. Under 2007 Act 20, DATCP must award at least

two thirds of the funding available annually for clean sweep grants for household hazardous waste and pharmaceuticals collections. The Department devoted about \$160,000 and 1.4 positions for administration of its clean sweep responsibilities in 2007-08.

Grant recipients sign a contract with DATCP and are awarded their grants as reimbursements for eligible expenditures after the Department receives documentation of eligible expenses. Eligible grant expenditures include: (a) costs to hire a hazardous waste contractor; (b) costs for equipment rentals, supplies and services to operate the collection site and handle disposal; (c) county staff costs related to a permanent collection event; and (d) costs of local educational and promotional activities related to a project.

Grants may not be used to collect oil that is not contaminated, batteries, contaminated soil or debris, fluorescent tubes, triple-rinsed plastic pesticide containers, materials that may be disposed of at other waste or recycling sites, and chemicals for which there is no federally-approved or state-approved disposal method.

Commercial firms that qualify as "very small-quantity generators" (VSQGs) are allowed to bring in hazardous wastes for disposal at clean sweep sites. Very small-quantity generators are firms that do not produce more than 100 kilograms (220 pounds) of hazardous waste in any given month, and that do not accumulate quantities of more than 1,000 kilograms (2,205 pounds) of hazardous waste. VSQGs are eligible for a 50% subsidy from the department for disposal of pesticides, but must pay the full disposal costs of other hazardous chemicals. VSQGs must register with the collecting county or hazardous waste contractor. The county or contractor must keep records of the amount of waste collected from the VSQG, the total cost to collect and dispose of this waste, and the total amount of payments received from the generator.

Prior to 2003 Act 33, the agricultural clean sweep program was provided \$560,400 SEG in

funding annually from the agrichemical management (ACM) fund. The ACM fund collects revenue from a variety of fertilizer, pesticide and commercial feed fees. DNR's household clean sweep program was funded by \$150,000 SEG annually from the environmental fund prior to 2003. The environmental fund receives revenues from a variety of sources including a temporary motor vehicle environmental impact title fee, solid waste tonnage fees, pesticide fees, petroleum inspection fees and hazardous spills reimbursements from responsible parties.

Grant for Soybean Crushing Facilities

A biennial appropriation created in 2007 Act 20 authorizes DATCP to distribute \$4 million SEG in one-time funding from the recycling and renewable energy fund for a soybean crushing facility, which extracts oil from soybeans for further processing into biofuels. Act 20 specified that the facility must have an annual soybean processing capacity of at least 20 million bushels. DATCP also requires a 50% match from the recipient on disbursed grant funds. DATCP received two proposals in March, 2008, and awarded the grant to Landmark Services Cooperative for a plant in Evansville. As of January, 2009, the facility was still in the planning stage and DATCP had disbursed no funds from the grant.

Department of Commerce Activities

Recycling Space in Public Buildings

The Safety and Buildings Division in the Department of Commerce administers a provision in the state commercial building code to require that any person engaged in constructing or remodeling a public building provide adequate space in or adjacent to, the building for the separation, temporary storage and collection of materials subject to the 1995 landfill and incineration bans. This re-

quirement applies to the following types of building projects: (a) constructing a public building; (b) increasing the size of a public building by 50% or more; or (c) altering 50% or more of the existing area of a public building which is 10,000 square feet or more in area.

Disposal of Oil-Absorbent Materials

In 2003 Act 96, the Department of Commerce was directed to convene a 12-member committee to study the disposal of oil filters and oil-absorbent materials and submit recommendations for recycling of these materials to the Legislature and Governor.

Commerce submitted a report summarizing the Committee's work and the Department's recommendations to the Governor and Legislature in June, 2005. The Department's recommendations included the following for oil filters: (a) a recycling goal of 60% should be established with a deadline of two years after the goal is established; (b) if the recycling goal is not met by the deadline, a total landfill ban from commercial and residential generators should be enacted; and (c) an educational program should be developed which emphasizes proper draining of oil filters, the economics of recycling, and the adverse impacts of discarding used oil filters into landfills. The Department's recommendations included the following for oil-absorbent materials: (a) recycling rate goals should be established for major commercial generators that phase in over approximately eight years to reach 40%; (b) a landfill ban should be enacted if the goal is not achieved; and (c) an educational program should be developed which emphasizes preventing spills that result in needing oil-absorbent materials.

No legislation has been introduced or enacted related to the Commerce recommendations.

Renewable Energy Grants and Loans Program

In 2007 Act 20, an appropriation was created in

Commerce from the recycling and renewable energy fund to provide grants or loans to businesses or researchers to fund: (a) research and development into renewable energy technologies; (b) development of renewable energy sources and infrastructure in Wisconsin; (c) the commercial application of renewable energy technologies sources; and (d) the construction of one or more cellulosic ethanol production plants.

While the program is not specifically a recycling program, it is mentioned in this paper because it is funded from the recycling and renewable energy fund. It is appropriated \$7,000,000 in 2007-08 and \$15,000,000 in 2008-09. [Further information about the program can be found in the Legislative Fiscal Bureau Informational Paper entitled, "State Economic Development Programs Administered by the Department of Commerce."]

Department of Corrections Activities

The Department of Corrections administers a computer recycling program under which inmates salvage, repair and upgrade donated computers. Computers and computer-related accessories are collected from drop-off sites around the state or from non-profit organizations, cities and municipalities. Repairable components are remanufactured at Taycheedah Correctional Institution, while components determined to be non-repairable are de-manufactured at the Racine Youthful Offenders Correctional Facility or Redgranite Correctional Institution.

Repaired computers are either sold to customers or donated to schools, state and local agencies, and private non-profit organizations. The computer recycling program participates in the Microsoft Authorized Refurbishment program, which allows the Department to purchase a Windows 2000 software license from Microsoft for

\$5 per computer. The Department can then charge customers \$50 for refurbished desktop computers and \$95 for laptop computers to cover the costs of software installation, rebuilding and testing, education and transportation fees. The Department also works with MDS/SWAP (Materials Distribution Services/Surplus with a Purpose) to provide refurbished serviceable equipment for auction. De-manufactured components are either sold or disposed.

In 2007-08, the program had an average total of 73 available positions, as follows: 28 positions at the Racine Youthful Offender Correctional Facility; five positions for female inmates from the Robert E. Ellsworth Correctional Center; 21 positions at the Redgranite Correctional Institution; nine positions at the Taycheedah Correctional Institution; and 10 positions at the Badger State Industries Distribution Center.

During 2007-08, approximately 62,000 pieces plus an additional 41,000 pounds of electronic components were donated to the program. In 2007-08, more than 400 computers were donated to qualified program participants, including non-profit organizations and government agencies. The sale of recyclable commodities such as copper, aluminum, steel, plastic, and other items generated approximately \$924,500 in program revenue (PR) in 2007-08.

Total budgeted funding for the program in 2008-09 is \$551,300 (\$294,400 SEG from the recycling fund and \$256,900 PR) and 5.0 positions (2.0 SEG and 3.0 PR).

Governor's Task Force on Waste Materials Recovery and Disposal

The Governor created a Task Force on Waste Materials Recovery and Disposal through issuance of an executive order in 2005. The Governor directed the Task Force to: (a) study and make rec-

ommendations related to the economics of landfilling and recycling of solid wastes; (b) review the extent to which materials with economic value are lost to landfilling and to recommend ways to maximize the productive use of waste materials; (c) study and recommend ways that Wisconsin can minimize the generation of waste materials; (d) study the current management of solid waste; (e) consider the role of Wisconsin municipalities, businesses and residents in the use, management and disposal of waste materials.

In December of 2006, the Task Force presented a final report and recommendations to the Governor. The recommendations were grouped into the following five areas:

1. Minimize environmental, economic and social costs through the following recommendations: (a) improve and expand the use of economic analysis in solid waste policy and management decisions; (b) promote effective solid waste planning and implementation as well as regional cooperation for both; (c) preserve funds generated by the recycling fee and appropriate them to implement these recommendations and other solid waste reduction and beneficial reuse programming; and (d) modify the formula for grants from the recycling fund to meet the needs of responsible units more effectively.

2. Enhance producer responsibility for products through the following recommendations: (a) maximize the collection and reuse of discarded electronic devices; and (b) require effective product stewardship (producer responsibility for the fate of their products).

3. Promote effective resource recycling and recovery through the following recommendations: (a) recover more construction and demolition de-

bris and other sources of wood waste; (b) recover more scrap paper; (c) reduce and recover more organics; (d) recover more waste generated by commercial properties; (e) re-examine the feasibility of a beverage container deposit law; and (f) conduct statewide waste generation and disposal studies at least every five years.

4. Promote responsible waste disposal through the following recommendations: (a) enhance regulation of construction and demolition debris landfills; (b) assure adequate financial assurance by landfill operators; and (c) revise the waste facility siting process.

5. Promote ecological and environmental sustainability through the following recommendations: (a) expand the disposal ban to other domestic and agricultural universal wastes (such as certain pesticides, batteries, thermostats, and fluorescent light bulbs); (b) ban the disposal of used oil filters and oil-absorbent materials; (c) develop and adopt a responsible mechanism to dispose of unused pharmaceuticals; (d) develop appropriate restrictions on open burning and on-site burying; and (e) require state purchasing practices to favor products generated from recycled materials and to promote recycling by vendors.

In the 2007-09 legislative session, no separate legislation was enacted that addressed the recommendations of the Task Force. In the 2007-09 biennial budget, the recycling solid waste tipping fee was increased by \$1 per ton, primarily to pay for the new Commerce renewable energy grants and loan program and an increase in funding for the recycling grants program for municipalities and counties. Further, DATCP's clean sweep grant program was expanded to include collection of unwanted prescription drugs.

APPENDICES

Several appendices provide additional program information.

- Appendix I lists the appropriations in 2006-07 through 2008-09 for programs funded from the segregated recycling and renewable energy fund. Prior to 2007-08, the fund was named the recycling fund.
- Appendix II shows cumulative revenues and expenditures for the recycling and renewable energy fund from 1990-91 through 2007-08.
- Appendix III describes the major state statutory policies related to solid waste reduction, reuse, recycling, composting and resource recovery.
- Appendix IV describes exceptions to the 1991, 1993 and 1995 landfill and incineration bans.
- Appendix V describes the required components of an effective recycling program.
- Appendix VI describes DNR's authority to grant a variance from the effective recycling program criteria.
- Appendix VII summarizes major provisions related to waste generated outside of Wisconsin.

APPENDIX I

**Appropriations Funded From the Segregated Recycling
and Renewable Energy Fund, 2006-07 Through 2008-09**

	<u>2006-07</u>	<u>Positions</u>	<u>2007-08</u>	<u>Positions</u>	<u>2008-09</u>	<u>Positions</u>
Administrative Appropriations						
<i>Commerce</i>						
143 (1)(um)Renewable energy grants and loans	\$0	0.0	\$0	0.0	\$57,800	1.0
<i>Corrections</i>						
410 (1)(qm)Computer recycling	284,900	2.0	295,800	2.0	294,400	2.0
<i>Natural Resources</i>						
370 (2)(hq) Recycling administration	1,174,200	13.0	1,280,300	13.0	1,281,200	13.0
(3)(mr) Recycling enforcement and research	247,800	2.4	287,700	2.4	286,600	2.4
(8)(iw) Statewide recycling administration	205,700	0.5	281,200	0.5	281,200	0.5
(9)(is) Statewide recycling administration	428,600	4.0	452,200	4.0	452,300	4.0
<i>Revenue</i>						
566 (1)(q) Recycling fees administration	218,200	1.0	218,600	1.0	218,600	1.0
<i>University of Wisconsin System</i>						
285 (1)(tb) Extension recycling education	339,600	4.0	352,300	4.0	352,300	4.0
(1)(tm) Solid waste research and experiments	<u>155,100</u>	<u>0.5</u>	<u>156,400</u>	<u>0.5</u>	<u>156,400</u>	<u>0.5</u>
Subtotal	\$3,054,100	27.4	\$3,324,500	27.4	\$3,380,800	28.4
Financial Assistance Appropriations						
<i>Agriculture, Trade and Consumer Protection</i>						
115 (7)(va) Clean sweep grants	\$710,400		\$1,000,000		\$1,000,000	
(4)(qm) Grants for soybean crushing facilities	0		4,000,000		0	
<i>Commerce</i>						
143 (1)(tm) Renewable energy grants and loans	0		7,000,000		15,000,000	
<i>Natural Resources</i>						
370 (6)(br) Waste reduction and recycling grants	500,000		1,500,000		1,500,000	
(6)(bq) Municipal and county recycling grants	24,500,000		31,000,000		31,000,000	
(6)(bv) Recycling efficiency incentive grants	1,900,000		1,900,000		1,900,000	
(6)(ev) Reimbursement for disposal of contaminated sediment	<u>0</u>		<u>1,500,000</u>		<u>3,000,000</u>	
Subtotal	\$27,610,400		\$47,900,000		\$53,400,000	
TOTAL RECYCLING AND RENEWABLE ENERGY FUND APPROPRIATIONS	\$30,664,500		\$51,224,500		\$56,780,800	

APPENDIX II

Recycling and Renewable Energy Fund Cumulative Revenues and Expenditures 1990-91 Through 2007-08

	Amount (In Millions)	Percent
REVENUES		
Recycling Surcharge	\$510.45	71.89%
Recycling Tipping Fee	144.60	20.36
Transfer from the General Fund	29.70	4.18
Interest Income and Miscellaneous	<u>25.34</u>	<u>3.57</u>
Total Revenues	\$710.09	100.00%
EXPENDITURES AND ENCUMBRANCES		
Program Administration and Education		
<i>Administration</i>		
Recycling activities	\$0.24	0.03%
<i>Agriculture, Trade and Consumer Protection</i>		
Recycling products regulation	1.12	0.16
<i>Commerce</i>		
Recycling development and rebate program administration	0.82	0.12
Recycling market development board; operations	1.75	0.25
<i>Corrections</i>		
Computer recycling	3.09	0.45
<i>Natural Resources</i>		
Park and forest recycling activities	0.34	0.05
Recycling--administration	18.13	2.62
Recycling--enforcement	1.44	0.21
Recycling grants--administration	0.83	0.12
Statewide recycling administration	13.89	2.01
Statewide recycling education	5.04	0.73
<i>Revenue</i>		
Recycling fees administration	4.27	0.62
<i>Wisconsin Technical College System</i>		
Recycling programs	0.02	0.00
<i>University of Wisconsin System</i>		
Extension recycling education	5.62	0.81
Research on tin can scrap	0.06	0.01
Solid waste research and experiments	1.65	0.24
Grant, Loan, Rebate and Financial Assistance Programs		
<i>Agriculture, Trade and Consumer Protection</i>		
Clean sweep grants	3.57	0.51
Grants for soybean crushing facilities	0.00	0.00
<i>Commerce</i>		
Renewable energy grants and loans	2.00	0.29
Recycling loans & grants -- assistance, including minority business recycling	3.56	0.51
Recycling rebates program -- assistance	10.81	1.56
Recycling market development board; assistance	22.15	3.20
Technology and pollution control and abatement grants and loans	0.40	0.06
<i>Natural Resources</i>		
Environmental aids - municipal & county recycling grants	451.47	65.21
Recycling efficiency incentive grants	11.40	1.65
Environmental aids - waste reduction and recycling grants	12.00	1.73
Environmental aids - lake states wood utilization consortium	0.19	0.03
Wheelchair recycling project	0.02	0.00
Reimbursement for PCB-contaminated sediment transport	0.00	0.00
<i>WHEDA</i>		
Transfer--development reserve fund	0.68	0.10
Transfer--brownfields redevelopment	4.00	0.58
<i>Transfer to General Fund and Conservation Fund</i>	<u>111.73</u>	<u>16.14</u>
TOTAL EXPENDITURES	\$692.29	100.00%
Cumulative Revenues less Cumulative Expenditures	\$17.80	
Less 2007-08 Year End Continuing Balances and Encumbrances	\$10.05	
Available July 1, 2008 Fund Balance	\$7.75	

APPENDIX III

State Solid Waste Reduction, Reuse, Recycling, Composting and Resource Recovery Policies Section 287.05, Wisconsin Statutes

1. Maximum solid waste reduction, reuse, recycling, composting and resource recovery is in the best interest of the state to protect public health, to protect the quality of the environment and to conserve resources and energy.

2. Encouragement and support should be given to individuals, collectors, handlers and operators of waste facilities to separate solid waste at the source, in processing or at the time of disposal to facilitate reuse, recycling, composting or resource recovery.

3. Research, development and innovation should be encouraged to improve design, management and operation of solid waste reduction, reuse, recycling, composting and resource recovery systems and to improve the processes, to lower operating costs and to provide incentives for the use of these systems and operations and their products.

4. Encouragement should be given to initiatives of current recyclers which facilitate reuse and recycling through separation, collection and processing of substantial volumes of scrap and waste material, reducing the amount of mixed solid waste that is disposed of in landfills or burned without energy recovery.

5. Recovery of energy from solid waste is in the public interest where it replaces the use of nonrenewable fuels and it is done in a state-approved program that protects public health and welfare and the environment.

6. Implementation of solid waste reduction, reuse, recycling, composting and resource recovery

systems and operations requires the involvement and cooperation of individuals, state and local governments, schools, private organizations and businesses. State government should rely to the maximum extent feasible on technical and financial assistance, education and managerial practices. Necessary regulations should be developed with maximum flexibility.

7. Solid waste reduction, reuse, recycling, composting and resource recovery efforts should be planned and coordinated in order to maximize beneficial results while minimizing duplication and inefficiency.

8. It is necessary for the state to occupy a regulatory role to achieve the policy goals and it is necessary to give municipalities and counties powers to adopt waste flow control ordinances to require the use of recycling and resource recovery facilities.

9. Solid waste reduction, reuse, recycling, composting, and resource recovery systems and operations are preferable to land disposal.

10. Developers and users of land disposal facilities should not become committed to land disposal so that reuse, recycling, composting and resource recovery systems and operations may be implemented rapidly.

11. The state encourages the following priorities of solid waste management: (a) reduction; (b) reuse; (c) recycling; (d) composting; (e) recovery of energy from solid waste; (f) land disposal; and (g) burning of solid waste without energy recovery.

APPENDIX IV

Exceptions to the 1991, 1993 and 1995 Landfill and Incineration Bans Section 287.07, Wisconsin Statutes

1. The 1995 bans do not apply to incidental amounts of banned materials contained in solid waste generated in a region that has an effective recycling program and collected for disposal or treatment. An effective recycling program is required to prohibit disposal of any materials subject to the 1995 bans that have been separated for recycling. This exception recognizes that some incidental amount of recyclable materials may be found in solid waste collected for disposal, and that even a good recycling program will not be effective 100% of the time at capturing all banned materials. Banned materials may become unrecyclable with use, for example, when newspapers are used for window cleaning or plastic milk jugs are used for waste oil collection. Broken glass bottles are another example of a banned item which is no longer recyclable. This exception to the 1995 bans does not apply to materials that have been separated for recycling or to solid waste generated in a region that does not have an effective recycling program.

2. A "grandfather" clause exists for incinerators with a state solid waste license or air pollution permit in effect before May 11, 1990 (the effective date of 1989 Act 335). This exception allows the incinerator to convert to fuel or burn combustible materials (tires and the various types of paper and plastic) listed in the 1995 bans generated in the area served by the facility as of January 1, 1993, or generated by the owner of the facility. Under present DNR administrative rules, the operator of an incinerator with a design capacity of less than 500 pounds of waste per hour generally is not required to obtain a solid waste license or air pollution permit; these incinerators are thus not eligible for this exception.

3. The 1991, 1993 and 1995 bans do not apply to a facility that burns solid waste as a supplemental fuel if the solid waste provides less than 30% of the facility's heat input.

4. Burning of medical wastes in medical waste incinerators or other incinerators approved by DNR to burn medical waste is generally allowed. Landfilling of medical waste that has been treated to render the waste noninfectious is also generally allowed.

5. DNR may grant, to a responsible unit, an exception to the 1995 bans for up to one year in the event of an unexpected emergency condition. The exception would also eliminate the effective recycling program requirements to separate the materials for recycling and the prohibition on their disposal.

6. DNR may grant a waiver to the 1993 bans to allow the burning of brush or other clean woody vegetative material that is no greater than six inches in diameter at wood burning facilities that have air pollution permits or solid waste facility licenses from DNR that authorize the burning.

7. The 1993 and 1995 bans do not apply to the beneficial reuse of a material within a landfill if the use is approved in the landfill's plan of operation.

8. DNR may grant a waiver or conditional waiver to any of the 1995 bans if the applicant shows that the recyclable material has been contaminated and cannot feasibly be cleaned for recycling and DNR determines that granting the waiver or conditional waiver will not impede progress toward meeting the goals of the state solid waste policies. DNR may not grant a waiver or

conditional waiver for material that has been intentionally or negligently contaminated.

9. DNR may grant a waiver or conditional waiver to the 1995 bans related to foam polystyrene packaging and plastic containers other than polyethylene terephthalate (PETE or #1) or high density polyethylene (HDPE or #2) if DNR determines that recycling of the material is not feasible or practical in light of current markets or available technologies and that granting the waiver or conditional waiver will not impede progress toward meeting the goals of the state solid waste policies. The waiver or conditional waiver would continue until one year after DNR determines that markets and technologies are available for recycling of the material subject to the waiver. Issuance of a waiver also eliminates for effective recycling programs both the requirement to separate the plastics and the prohibition on their

disposal. On October 4, 1996, DNR issued a waiver, that remains in effect, to the disposal and collection requirements for #3-#7 plastic containers and polystyrene foam packaging. This waiver permits polyvinyl chloride (PVC or #3), low density polyethylene (LDPE or #4), polypropylene (PP or #5), polystyrene (PS or #6) and other/multi-layer (#7) containers and polystyrene foam packaging, to be landfilled or incinerated in the state. DNR granted previous variances in 1995 and 1996 for one year periods.

10. A responsible unit may not prohibit the beneficial reuse of a material by a landfill if the beneficial reuse of the material is approved by DNR in the landfill's plan of operation.

11. A responsible unit may not prohibit the landfilling or incineration of any material for which DNR has issued a waiver to the 1995 bans.

APPENDIX V

Twelve Required Components of an Effective Recycling Program Section 287.11, Wisconsin Statutes

1. A public education component.
2. A requirement that occupants of residential, commercial, retail, industrial and governmental (including federal) buildings either separate from their postconsumer waste the materials subject to the 1995 bans or treat these wastes at a facility which will recover those materials from commingled solid waste. Postconsumer waste is defined to be solid waste other than: waste generated in the production of goods, hazardous waste, construction or demolition waste, scrap automobiles or high-volume industrial waste.
3. A system for collecting separated recyclable materials from single-family residences.
4. A system for the processing and marketing of recyclable materials collected under the program.
5. A requirement that owners of building containing five or more dwelling units do the following: (a) provide containers for separated materials; (b) notify tenants of the recycling program; and (c) provide for the collection and recycling of separated materials.
6. A requirement that owners of commercial, retail, industrial and governmental facilities: (a) provide containers for separated materials; (b) regularly notify all users and occupants of the recycling program; and (c) provide for the collection and recycling of separated materials.
7. A prohibition on the landfilling or burning of any material subject to the 1995 bans that has been separated for recycling. (The plastics subject to the waiver of the 1995 bans are not subject to the prohibition.)
8. Provisions for the management of postconsumer waste not separated for recycling under the program, consistent with the solid waste management priorities.
9. Other criteria established by rule by DNR.
10. Adequate enforcement of the above components (#1-9).
11. Possession of the equipment or means necessary to implement the public education, separation, single-family residence collection, marketing and enforcement components described above.
12. A reasonable effort, through the implementation of the program components described above, to reduce to the maximum extent feasible the amount, by weight, of each material subject to the 1995 bans that is generated in the region and disposed of in a landfill, converted into fuel or burned without energy recovery.

APPENDIX VI

Variances from Effective Program Criteria

If markets are not available for any material subject to the 1995 bans, DNR may grant a variance for that material from effective program requirements specifying that occupants of residential, commercial, retail, industrial and government buildings separate the 1995 banned items and that the separated materials be banned from landfilling or incineration. This variance may be granted at a request of the responsible unit with an effective recycling program or on DNR's initiative. Variances may apply to one or more responsible units with an effective recycling program. Variances are limited to one year in length, but there is no limit on the number of times that a variance may be granted.

The variance may be granted if DNR determines that the "cost of selling processed material" exceeds either: (a) \$40 per ton, adjusted for inflation since 1989; or (b) the "cost of disposing of processed material." These terms are defined as follows:

1. **Processed material.** A component of solid

waste that has been collected, transported to a waste processing facility and prepared for sale to a broker, dealer or manufacturer.

2. **Cost of disposing of processed material.**

The gross cost of transferring processed material to a solid waste disposal facility and disposing of the processed material, including any disposal costs not paid through fees charged by the facility.

3. **Cost of selling processed material.** The net cost, including storage costs, of selling processed material to a broker, dealer or manufacturing facility, plus any cost of transporting the processed material from the waste processing facility to the destination specified by the buyer, less the portion of any state financial assistance received attributable to the processed material.

Since the test for granting a variance is based on the costs of selling and disposing of processed material, the test does not incorporate the costs of collecting, transporting to a processing center or processing the waste material.

APPENDIX VII

Summary of Major Out-of-State Waste Legal Provisions

The recycling statutes in effect prior to 1997 required an out-of-state local governmental unit to seek DNR approval of its recycling program as an effective program in order to dispose of solid waste in Wisconsin. However, in *National Solid Waste Management Assoc. v. George Meyer*, 63 F. 3d 653 (1995), the U.S. Seventh Circuit Court of Appeals ruled that the following requirements for landfilling or incinerating out-of-state waste in Wisconsin violated the Commerce Clause of the U.S. Constitution: (a) that the local government in whose jurisdiction the waste is generated must implement an effective recycling program; (b) that the determination that an out-of-state recycling program is an effective program must be promulgated in rules; and (c) that the state in which the waste is generated must implement an effective landfill siting program.

1997 Act 27 made several changes related to the disposal of out-of-state waste in Wisconsin, all of which were to be effective on October 1, 1999. The Act included three provisions intended to respond to the federal court rulings by: (a) retaining the requirement that in order for solid waste generated in another state to be disposed of in Wisconsin, the out-of-state local government's recycling program must be an effective recycling program, but allowing the local government to apply the components of the program only to those waste materials that are disposed of in Wisconsin; (b) repealing the requirement that the determination that an out-of-state local government has an effective recycling program be promulgated in rules; and (c) repealing the requirement that in order for out-of-state waste to be disposed of in

Wisconsin, the state in which it is generated must have an effective recycling program.

Under 1997 Act 27, out-of-state local governments would be eligible to obtain variances from certain effective program requirements and exceptions to the landfill and incinerator bans for which in-state responsible units are currently eligible. The Act also exempted out-of-state local governments from the effective recycling program requirements to: (a) prohibit the disposal within their jurisdiction of materials separated from waste for recycling; and (b) manage waste not separated for recycling in compliance with Wisconsin's recycling policy.

In December, 1997, the constitutionality of the revised law was challenged in court. In *National Solid Waste Management Assoc. v. George Meyer*, No 97-C-851-S (W.D. Wis, June 1, 1998), the U.S. District Court for the Western District of Wisconsin struck down the law without a trial, and agreed with the plaintiffs' contention that the law violates the Commerce Clause, the Due Process Clause and principles of state sovereignty set out in the U.S. Constitution. The court found that all of the objections to the prior law that were raised by the U.S. Seventh Circuit Court of Appeals apply equally to the revised law. On July 1, 1998, the State of Wisconsin appealed the decision, asking that the case be remanded to the district court for either a trial on the disputed facts in the case or summary judgment in favor of the state. In January, 1999, the U.S. Seventh Circuit Court of Appeals upheld the lower court decision (165 F. 3d 1151 (1999)).