



May 23, 2022

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

The Honorable Phil Ting
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Budget Request – \$180 million (General Fund): Local Assistance for Organic Waste Recycling Program Development and Implementation

Dear Assemblymember Ting and Senator Skinner:

The City of Santa Rosa supports the League of California Cities (Cal Cities) request for \$180 million (General Fund) in local assistance to continue helping cities develop and implement organic waste recycling programs, as required by the Department of Resources Recycling and Recovery's (CalRecycle) Organic Waste Reduction Regulations (SB 1383). This budget request builds on the \$60 million down payment approved by the Legislature last year and will further help local governments implement this important greenhouse gas emission reducing program and lower the cost to ratepayers.

Cities greatly appreciate the Legislature's funding for SB 1383 local assistance in the FY 2021-22 budget and CalRecycle's quick establishment of the grant program. However, additional funding is greatly needed. At a recent Senate Budget Committee Subcommittee hearing, CalRecycle Director Rachel Machi Wagoner indicated that CalRecycle received 470 applications for the initial round of funding, which is insufficient to support local government projects seeking resources.

Local governments are the backbone for achieving California's solid waste management and recycling goals. CalRecycle's SB 1383 Regulations adopted in November 2020 require local governments to reduce landfill disposal of organic waste 75% by 2025 and to increase edible food waste recovery 20%. SB 1383 is the farthest-reaching solid waste management change since AB 939 (Sher, 1989) and CalRecycle has estimated statewide implementation will cost \$20 to \$40 billion over the next decade, including the addition of 50-100 new organic waste recycling facilities.

Compliance obligations for local governments began in early 2022 and local governments continue to develop a comprehensive suite of local collection, enforcement, and funding programs. These activities include hiring new staff and consultants, adopting ordinances,

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Santa Rosa, CA 95404



arranging for appropriate collection services, establishing inspection and enforcement programs, procuring recovered organic waste products, providing education and outreach, developing edible food recovery programs, and reporting to CalRecycle.

The City of Santa Rosa applied for SB 1383 local assistance in the FY 2021-22 budget through CalRecycle's grant program and has yet to hear back on CalRecycle's funding determination. If funding is received the City of Santa Rosa plans to utilize this funding exclusively on outreach and education to our community regarding SB 1383's requirements and impacts. Without an engaged, informed and change-oriented citizenry the goals of SB 1383 will never be achieved.

Nevertheless, the initial one-time SB 1383 local assistance grant funding designated in the FY 2021-22 budget will not be enough for Santa Rosa to meet our SB 1383 responsibilities. Specifically, Santa Rosa needs additional SB 1383 funding in order to support a robust and effective edible food recovery program and to develop, site and permit local waste processing infrastructure, specifically a local Sonoma County organic waste composting facility. Currently, all of Santa Rosa's organic materials are sent to out of county organic waste composting facilities, increasing transportation costs, and adding significant GHG emissions to our atmosphere. Santa Rosa could greatly benefit from the request for \$180 million in local assistance to continue to develop and implement organic waste and recycling programs.

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

In addition to this request for local program development assistance, the City of Santa Rosa recognizes that there remains additional need to dedicate funding for infrastructure development. California must significantly increase the number of organic waste recycling facilities to achieve the state's goals. We believe there is merit to supplementing this request with an infusion of state funding into CalRecycle's Greenhouse Gas Reduction Grant and Loan Programs to provide financial assistance to develop additional organic waste recycling infrastructure. We believe that some portion of those funds should be targeted to regional organic waste recycling and procurement solutions and to rapidly scale up edible food recovery programs.

Finally, we suggest allocating funding to CalRecycle to develop a statewide program environmental impact report for the siting and construction of organic waste composting

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facilities, as such a document could significantly reduce the time necessary to construct new composting facilities.

Developing suitable programs for organics diversion, obtaining the necessary approvals of programs and costs to rate payers through elected bodies, awarding contracts, and then implementing these programs will take time and resources. This \$180 million allocation will help local governments develop and implement effective organic waste recycling programs; however, we note that further statutory and regulatory changes may be necessary to maximize program effectiveness and efficiency, and address challenges that may arise in program implementation.

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

Sincerely,

A handwritten signature in black ink that reads "Chris Rogers". The signature is fluid and cursive, with the first name "Chris" and last name "Rogers" clearly legible.

Chris Rogers, Mayor

CC: Senator Mike McGuire
Assemblymember Jim Wood
Assemblymember Marc Levine
Senate Budget Committee
Assembly Budget Committee