

The 2023-24 Budget:

# CalRecycle’s Zero Waste Plan Proposal

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## SUMMARY

In this brief, we analyze the Governor’s 2023-24 budget proposal to provide funding from various special funds for the California Department of Resources Recycling and Recovery (CalRecycle) to develop and implement a zero waste plan. We recommend the Legislature reject the proposal given that (1) many of the activities that would be completed under this initiative should already be occurring within the department, (2) the plan would become quickly outdated as recently enacted legislation is implemented, and (3) the high-level nature of the plan would make it difficult to identify specific improvements to individual programs.

## Background

**CalRecycle Administers and Provides Oversight of Waste Management and Recycling Programs.** CalRecycle administers and provides oversight of the state’s waste handling and recycling programs, which largely are managed at the local level by cities and counties. CalRecycle also implements several statewide programs. This includes the Beverage Container Recycling Program, a deposit-refund system that encourages the recycling of certain beverage containers. The department also oversees multiple extended producer responsibility programs for specific products—such as carpet and paint—which require that producers collect and recycle their used products.

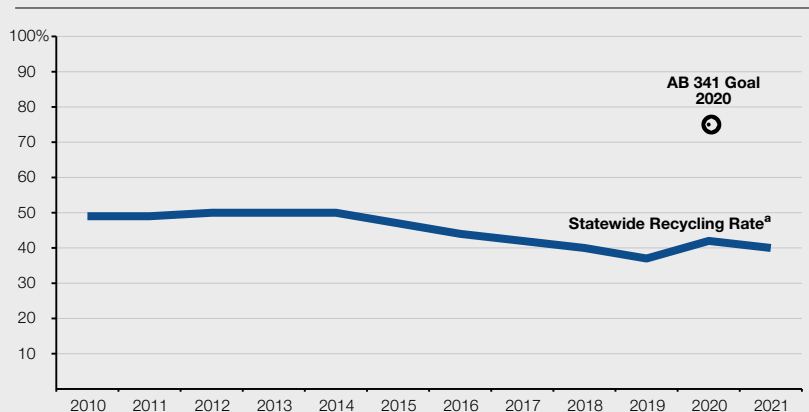
**AB 341 Established Statewide Goal.** In 2011, the Legislature enacted Chapter 476 (AB 341, Chesbro), which, among other provisions, established a goal that by 2020, at least 75 percent of statewide solid waste generated be source reduced, recycled, or composted. For the purpose of measuring the state’s progress in achieving the AB 341 goal, CalRecycle uses the term recycling for a range of activities related to source reduction, recycling, and composting—including anaerobic digestion. As shown

in **Figure 1**, the state was not able to meet the 75 percent goal by 2020. In 2021, the statewide recycling rate was 40 percent, which was down from a recent high of 50 percent in 2014 and still significantly lower than the goal set out in AB 341.

**AB 341 Required Comprehensive Report on State’s Efforts to Meet Recycling Goal.** Assembly Bill 341 also included a requirement for CalRecycle to report to the Legislature on strategies to achieve the 75 percent recycling goal. The first report was due by January 2014 and annually thereafter until the statutory reporting requirement ended in January 2017. The report, which CalRecycle ended up only submitting once in 2015, was required

Figure 1

### Progress on Achieving AB 341 Goal



<sup>a</sup> In measuring the state’s progress on meeting the AB 341 goal, the California Department of Resources Recycling and Recovery uses the term recycling for a range of activities related to source reduction, recycling, and composting—including anaerobic digestion.

to include the following: (1) evaluation of current programs and recommendations for improvements, (2) identification of problematic waste streams and recommendations on handling those streams; (3) recommendations for reprioritizing existing resources; and (4) recommendations for statutory and regulatory changes. CalRecycle has continued to provide annual updates on the state's progress in meeting the AB 341 goal, but has not conducted a comprehensive assessment since 2015.

***Recent Legislation Expanded CalRecycle's Responsibilities for Certain Waste Streams.***

Over the past several years, the Legislature has enacted legislation that has significantly expanded CalRecycle's responsibilities with regard to certain waste streams. These include:

- ***Chapter 395 of 2016 (SB 1383, Lara).*** This law requires CalRecycle to adopt regulations designed to reduce the statewide disposal of organic waste to 50 percent of 2014 levels by 2020 and 75 percent by 2025. It also requires CalRecycle to adopt regulations designed to recover at least 20 percent of disposed edible food by 2025.
- ***Chapter 75 of 2022 (SB 54, Allen).*** This law requires producers of single-use packaging and food service ware to implement an extended producer responsibility program. The legislation also phases in several product and recycling requirements by 2032, such as requiring that 100 percent of covered materials be recyclable or compostable. CalRecycle is charged with adopting the regulations necessary to implement the legislation.
- ***Chapter 610 of 2022 (SB 1013, Atkins).*** This law expands the Beverage Container Recycling Program to include wine and distilled spirit containers starting in January 2024. CalRecycle is in charge of overseeing the expansion of the program.
- ***Chapter 370 of 2022 (SB 1215, Newman).*** This law expands the existing Covered Electronic Waste Program—which uses consumer fees to support the proper collection and recycling of certain electronic devices—to include most battery-embedded products, such as cell phones. CalRecycle is in charge of overseeing the expansion of the program.

**Governor's Proposal**

***Proposes Funding to Conduct and Implement a Zero Waste Plan.*** The Governor's budget includes \$2 million on a one-time basis in 2023-24 from the Beverage Container Recycling Fund to develop a zero waste plan. The plan would identify gaps in CalRecycle's programs and existing laws and recommend changes needed for the state to meet and exceed the goal established under AB 341 by 2035. The department would aim to complete the plan in fall 2025. The Governor's budget also includes \$301,000 ongoing from multiple special funds beginning 2023-24 to support two positions to oversee the development of the plan and coordinate its implementation once completed.

**Assessment**

***Identifying Program Shortcomings and Implementing Improvements Is a Core Department Responsibility.***

The administration indicates that the zero waste plan would identify programmatic improvements that would help the state achieve and exceed the goal set out in AB 341. This would also include identifying ways in which programs could better complement one another. While this could be helpful, these activities should already be occurring on an ongoing basis—both within individual programs and across the department. As part of its core responsibilities, CalRecycle should be (1) conducting regular program evaluations to assess how well programs are meeting their intended goals, (2) identifying any changes needed to improve programs, (3) assessing to what extent programs are aligning with the department's core mission and statutory goals, and (4) applying lessons learned across programs to make continuous improvements.

***Plan Could Become Quickly Outdated Given Recently Enacted Legislation.***

As mentioned above, recently enacted legislation has significantly expanded the department's responsibilities for certain waste streams. In several cases, the activities in the legislation that the department is tasked with implementing will take effect around the same time the plan would be expected to be nearing its completion. For instance, the department likely will finalize regulations for SB 54 and SB 1215 in late 2024, which is around

the time the proposed plan would begin finishing its research and analysis phase. As such, conducting the plan as proposed would preclude the department from being able to fully incorporate the impacts of these significant policy changes. In other cases, CalRecycle would only have a minimal amount of data available regarding the impact of recent statutory changes to be able to incorporate into the plan. For instance, the expansion of the Beverage Container Recycling Program under SB 1013 is expected to take effect in January 2024. While the plan might be able to capture some early outcomes from the expanded program, the data collected likely would not be significant enough for the department to include a full assessment of the program's changes. Additionally, the assessment of program needs likely will evolve based on the degree to which the new policies are or are not having their intended outcomes. The fact that it would necessarily be dependent upon soon-to-be-outdated data raises questions about the ultimate value of the proposed plan.

**High-Level Plan May Not Be Best Approach for Identifying Issues Specific to Individual Programs.** As currently proposed, the plan would look broadly across all programs to identify areas where improvements could be made. However, this high-level assessment may not be the best approach for identifying improvements that are specific to individual programs. This is because each program will likely experience unique barriers and have different needs. For instance, improvements needed to increase the diversion of organic waste from landfills—as directed under SB 1383—will be different from those needed to increase the rate at which beverage containers are recycled. While the plan may be able to provide an assessment of general statewide needs and high-level goals, it is unlikely to identify improvements needed for individual programs at the level of specificity required to result in meaningful changes. This is a key reason why the department should be engaged in conducting program evaluations on an ongoing basis.

**Premature to Establish More Ambitious Goal Before Meeting Existing Statutory Goal.** The proposal indicates that the zero waste plan would recommend programmatic and statutory changes

needed for the state to meet and exceed the goal established under AB 341 by 2035. As mentioned earlier, the state has not yet been able to make significant progress towards meeting the current statutory AB 341 goal. Overall, we find that planning for a more ambitious goal is premature when (1) the state has made minimal progress towards the current goal and (2) a new goal has not been established in statute.

**CalRecycle Has Undertaken Similar Programmatic Assessments Before Without Additional Resources.** As mentioned above, AB 341 included a reporting requirement that directed the department to identify strategies to achieve the 75 percent recycling goal. That annual requirement was in effect from January 2014 to January 2017. In many cases, the proposed new zero waste plan is very similar to the one that the department previously was required to complete under AB 341. CalRecycle indicates it was able to complete its AB 341 reporting requirement within its existing resources. This raises questions as to why, if the department found this type of assessment helpful, it could not undertake a similar planning exercise within its existing resources again. Similarly, if the Legislature found the AB 341 report useful, it could consider reestablishing the previous requirements in statute. However, providing the department with \$2 million for contract support and an ongoing increase of \$300,000 for two new positions to review its existing programs does not seem justified—particularly because it has experience in conducting a similar study without those augmentations.

## Recommendation

**Reject Proposal to Develop Zero Waste Plan.** We recommend that the Legislature reject this proposal given that (1) many of the activities that would be completed under this initiative should already be occurring within the department, (2) the plan would become quickly outdated as recently enacted legislation is implemented, and (3) the high-level nature of the plan would make it difficult to identify specific improvements to individual programs. We also find that it is premature for the department to develop a plan to meet a more ambitious goal

when the state has thus far made minimal progress towards its current statutory recycling goal. Finally, the department has undertaken similar programmatic assessments before without additional resources. If the Legislature believes

that receiving periodic programmatic assessments from the department would be helpful, it could consider reestablishing the original AB 341 reporting requirement.

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