

# PROP FACT Sheet

## Recycling Fund Recommendations

The future of recycling in Pennsylvania was one of the many issues raised during the discussions of the Governor's recent budget proposal. Like so many of the other programs mentioned in the proposal, Pennsylvanians see merit in providing adequate long term funding to continue an aggressive recycling effort in the Commonwealth. In the crowded field of important and popular programs listed in the Governor's proposal, the Professional Recyclers of Pennsylvania (PROP) hopes to clarify several of the important issues surrounding both the proposed funding and the long term viability of recycling.

### **Great Demand + Depleted Recycling Fund = Long Gaps in Funding and More Denials**

The Act 101, Section 902 recycling grant program for capital expenditures and educational outreach has been plagued by overwhelming shortfalls over the last few years.

- Twice during that span, no Section 902 grants have been awarded for an entire year.
- Despite reauthorization of the \$2 per ton recycling tip fee on waste, withdrawals for other programs has seriously depleted the Recycling Fund.
- Though the vast majority of last summer's grant applicants were finally awarded grant funding in early March, a large portion could not be funded at the requested level. A total of \$48 million in projects was requested, with only \$30 million being awarded.
- Though the Department of Environmental Protection (DEP) was able to redirect an additional \$10 million into this recent round of awards, well over \$10 million in legitimate and eligible requests could not be funded.

### **Long Gaps in Funding + More Denials = Local Programs in Peril**

The resulting shortfalls and long spells without funding have had significant impacts on local recycling programs.

- Nearly 500 legislatively mandated programs and several hundred voluntary programs have not been provided with the same financial resources available to them when the program began more than a decade ago.
- 40 of the fastest growing municipalities in Pennsylvania are faced with implementing curbside programs with a level of difficulty not seen in years.
- Though the challenges confronting each program will vary, the chronic lack of funding has unquestionably undermined important educational efforts and crucial equipment purchases.
- The regression of recycling programs often happens gradually, escaping the notice of many local citizens and elected officials. Funding decreases frequently prompt a quiet erosion of services, enforcement, and educational outreach that causes a decrease in participation and material quality.

### **Mandated programs like recycling must be given the highest funding priorities.**

- In light of continued budget debates, we hope that the legislature will appreciate the importance of funding mandated programs with dedicated funds, not General Fund appropriations.
- Since these grant contracts usually span three fiscal years, the program would be overwhelmingly difficult to administer if appropriations from the General Fund fluctuate wildly from year to year.
- Unlike other government assisted services, recycling and other required environmental services like water and sewage service cannot be shut down or discontinued if funding is cut or delayed.

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## **Support for recycling leverages significant local and private sector investments.**

We must also keep in mind that this recycling infrastructure support is only a fraction of the total spent on recycling services.

- Local communities and counties provide considerable financial support for recycling. Grants directly pay a portion of the capital costs and educational programs for municipal programs.
- All operational costs are ultimately shouldered by residents or the municipality itself and are generally much greater than with capital investments.
- The private sector has also made enormous investments in collection, processing, and composting equipment and infrastructure.
- The recycling industry employs more than 81,000 Pennsylvanians and accounts for \$18 billion in annual sales receipts in the Commonwealth.
- Similarly, more than 400 private sector manufacturers have invested in technologies and processes that utilize recycled feedstocks. Without a steady stream of high quality recyclables, such investments are less likely to give the anticipated return on investment.

PROP has no position on the funding of other programs, other than to express the urgency of providing adequate funding to recycling programs in Pennsylvania. Among the Commonwealth, local government, and the private sector, hundreds of millions of dollars have been invested in recycling infrastructure and public education in Pennsylvania. Turning our backs on recycling at this point would seriously jeopardize that investment and undermine the substantial economic and environmental benefits brought about by recycling.

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