



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #487

### **Extension Recycling Education and Solid Waste Research and Experiments (DNR and UW System)**

[LFB 2015-17 Budget Summary: Page 462, #11 and #12]

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#### **CURRENT LAW**

The UW System receives \$394,100 annually from the environmental management account of the environmental fund for extension recycling education through an appropriation for that purpose.

The UW System receives \$156,100 annually from the environmental management account for solid waste research and experiments through an appropriation for that purpose. In addition, current law permits the Board of Regents 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. Current law also requires the Board to conduct research into alternatives to solid waste disposal and to appoint a solid waste research council.

#### **GOVERNOR**

Eliminate the funding for extension recycling education and 4.0 positions beginning in 2015-16 and delete the appropriation for that purpose from the environmental management account of the environmental fund on July 1, 2016.

Eliminate the funding for solid waste research and experiments and 1.0 position beginning in 2015-16 and delete the appropriation for that purpose from the environmental management account of the environmental fund on July 1, 2016. In addition, delete current law permitting the Board of Regents to establish one or more solid waste experiment centers and requiring the Board to conduct research into alternatives to solid waste disposal and to appoint a solid waste

research council.

## **DISCUSSION POINTS**

1. The appropriation for UW-Extension recycling education was created by 1989 Act 335 and has been used to fund the Solid and Hazardous Waste Education Center (SHWEC) since 1990. SHWEC provides education, information, and technical assistance to businesses and communities in the areas of environmental management, efficient use of natural resources, and waste reduction and management. According to SHWEC's activity and impact update, SHWEC specialists had more than 3,500 direct education contacts in 2014 and more than 32,000 visitors accessed information provided by SHWEC on its website in that year. SHWEC currently employs five specialists including three in Madison, one in Green Bay, and one in Stevens Point. These specialists provide services to businesses and governments in the following areas: (a) recycling; (b) composting; (c) solid waste management and waste reduction; (d) hazardous material reduction; (e) zero waste initiatives and greening the supply chain; and (f) green building.

2. Currently, the funding provided through the UW-Extension recycling education appropriation is used to support three of the five state specialists employed by SHWEC and two 0.5 program assistant positions. GPR funds are used to support the remaining two state specialists. In addition, SHWEC receives approximately \$163,000 annually in federal and nonfederal grants and contracts.

3. 1989 Act 31 authorized the Board of Regents to establish one or more solid waste disposal experimental stations and provided \$34,500 GPR in 1989-90 and \$133,400 GPR in 1990-91 and 1.5 GPR positions for solid waste disposal research and experiments. 1997 Act 27 deleted the GPR funding for solid waste disposal research and experiments and instead provided funding for that purpose from the recycling fund, now the environmental management account of the environmental fund. These funds are currently used to support a 0.5 program manager position and to fund research grants awarded by the Solid Waste Research Council (SWRC). In 2014-15, the SWRC awarded 11 research grants, including seven grants awarded to students, totaling \$113,127. The SWRC, which is appointed by the Board of Regents, currently consists of 10 members including representatives from seven four-year UW institutions, one UW Colleges campus, the UW-Extension, and the UW System. The SWRC meets once a year for the purpose of reviewing grant applications and making grant awards. UW System staff indicate that the UW System does not currently operate any solid waste disposal experiment stations.

4. If the Committee wishes to continue to fund SHWEC, solid waste research and experiments, or both, the Committee could modify the Governor's budget to continue to provide funds from the environmental management account of the environmental fund to the UW System for that purpose. A separate budget paper provides a general overview of the environmental account, the estimated condition of the account, and expenditure changes made under the bill in appropriations funded from the account. Based on current revenues and other changes in expenditures from the environmental management account included in the Governor's budget bill, it is estimated that the account would have an unallocated balance sufficient to fund SHWEC, solid waste research and experiments, or both, during the 2015-17 biennium. However, the Committee

may choose to direct these funds to other activities. The Committee could also choose provide state GPR, instead of moneys from the environmental management account, to fund SHWEC, solid waste research and experiments, or both.

5. The Governor's budget bill would delete all of the UW System's program revenue, federal revenue, and segregated revenue appropriations on July 1, 2016. Beginning on that date, the proposed UW System Authority would have two appropriations: one GPR general program operations appropriation (referred to as the "block grant") and one GPR debt service appropriation. The deletion of the UW System's PR, FED, and SEG appropriations is part of the Governor's proposal to convert the UW System from a state agency to a public authority. However, public authorities can have PR, FED, and SEG appropriations. As an example, the Legislature has provided funding from the environmental fund, the agricultural management fund, and the petroleum inspection fund to the Wisconsin Housing and Economic Development Authority (WHEDA) through segregated fund appropriations under WHEDA in past biennia. If the Committee wishes to continue to provide funds from the environmental management account for SHWEC, for solid waste research and experiments, or for both, the Committee could restore the appropriations for those purposes.

6. If the Committee wishes to continue to provide funds from the environmental management account for SHWEC, for solid waste research and experiments, or for both, but does not want to create segregated appropriations under the UW System Authority, it could create one or more appropriations under the Department of Natural Resources (DNR) and direct DNR to transfer funds to the UW System Authority. Under current law, there are a number of examples where an agency is directed to provide funds to the UW System where there is not a corresponding appropriation under the UW System for the receipt of those funds. For example, DNR is currently required to allocate \$500,000 annually from its appropriation for watershed-nonpoint source contracts for contracts with the UW-Extension. The source of these funds is the environmental fund. There is not a corresponding segregated fund appropriation under the UW System for nonpoint source contracts with DNR.

7. If the Committee chooses to provide state GPR to fund SHWEC, solid waste research and experiments, or both, the funding could be provided through the UW System's GPR block grant appropriation. This would allow the Committee to fund either or both programs without creating additional appropriations under the proposed UW System Authority or DNR.

8. In addition to eliminating the funding for solid waste research and experiments, the bill would also delete language that does all of the following: (a) permits the Board of Regents 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; (b) requires the Board to conduct research into alternatives to solid waste disposal; and (c) requires the Board to appoint a solid waste research council. In creating the proposed UW System Authority, the Governor's budget bill deletes most of the current law language in the Chapter establishing the UW System. By eliminating language requiring or permitting the Board of Regents to take a specific action or specific actions, it could be argued that the Governor's bill increases the Regents' authority to determine how best to use the resources available to them to accomplish the

UW System's mission of instruction, research, and public service.

9. However, if the Committee wishes to ensure that the UW System continues to conduct research related to solid waste disposal, the Committee may elect to either restore the language deleted by the Governor or replace that language with language that reflects the UW System's current practice. If the Committee elects to provide funding for the solid waste research, statutory language would direct the Board of Regents to use the funding provided for that purpose.

10. If the Committee adopts the Governor's recommendations and eliminates the funding and statutory language related to SHWEC and to solid waste research and experiments, the Board of Regents, in the case of solid waste research and experiments, or the Board of Regents or the Chancellor of the UW Colleges and UW-Extension, in the case of SHWEC, could opt to continue those programs using state GPR or other sources of funds available to the Board or to the Chancellor. However, given the proposed \$300 million GPR base budget reduction and resident undergraduate tuition freeze, the Board of Regents and the Chancellor may be limited in their ability to reallocate funds to support these activities. At this time, the Board and the Chancellor have not indicated whether they would continue to support SHWEC or solid waste research and experiments if the Legislature deletes the funding provided under current law for these programs.

## ALTERNATIVES

### A. Funding

1. Approve the Governor's recommendation.
2. Modify the Governor's recommendation to provide funding from the environmental management account of the environmental fund for one or both of the following:
  - a. UW-Extension recycling education (SHWEC) with \$394,100 annually and 4.0 positions.

ALT A2a	Change to Bill	
	Funding	Positions
SEG	\$788,200	4.00

- b. Solid waste research and experiments with \$156,100 annually and 0.5 position.

ALT A2b	Change to Bill	
	Funding	Positions
SEG	\$312,200	0.50

3. Modify the Governor's recommendation to provide state general purpose revenue through the UW System's GPR block grant appropriation for one or both of the following:

- a. UW-Extension recycling education (SHWEC) with \$394,100 annually and 4.0 positions.

ALT A3a	Change to Bill	
	Funding	Positions
GPR	\$788,200	4.00

- b. Solid waste research and experiments with \$156,100 annually and 0.5 position.

ALT A3b	Change to Bill	
	Funding	Positions
GPR	\$312,200	0.50

**B. Appropriations**

- 1. If the Committee adopts alternatives A2a., A2b., or both, modify the bill as follows:
  - a. Restore the corresponding segregated fund appropriation or appropriations under the UW System.
  - b. Create a segregated fund appropriation or appropriations under the DNR directing DNR to transfer fund to the UW System for that purpose or those purposes.

**C. Statutory Language Related to Solid Waste Research and Experiments**

- 1. Approve the Governor's recommendation.
- 2. Modify the Governor's recommendation to require that the Board of Regents appoint a solid waste research council for the purpose of awarding funds for research projects proposed by UW faculty, academic staff, and students related to solid waste disposal. If funding is provided from the environmental management account through an appropriation under the UW System (alternatives A2b. and B4a.), restore the appropriation for solid waste research and experiments but delete the language permitting the funds to be used for administering solid waste experiment centers. This language would more accurately reflect the UW System's current activities related to solid waste research and experiments.
- 3. Delete provision. This alternative would restore all language related to solid waste experiment centers. If funding is provided from the environmental management account through an appropriation under the UW System (alternatives A2b. and B4a.), the appropriation language would be restored as well.

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