



Eliminating Recycling Grants and Raising Recycling Rates Could Save Over \$2.5 Million

at a glance

The state and its counties are no longer achieving statutory recycling goals. State agencies in particular have done a poor job recycling, and recycling by businesses tends to be low. Greater recycling has the potential to save money for state government and private businesses by avoiding waste disposal fee costs, as evidenced by significant savings resulting from improved recycling efforts. To increase Florida's statewide recycling rate, we recommend that the Legislature take two actions.

- Retain the statewide recycling standard of 38%, which we believe is attainable with improved recycling efforts. However, the recycling goal should be increased from 30% to 38% for large counties.
- Transfer responsibility for the state's recycling contract from the Department of Management Services to the Department of Environmental Protection.

The Legislature should also continue to phase out recycling and education grants. As noted in prior OPPAGA reports, these grants are no longer needed to help establish county recycling programs. This would save \$2.5 million annually. However, if the Legislature decides to continue funding these grants in some form, it should redirect them to be used for increasing commercial recycling and encouraging development of recycling markets.

The Department of Environmental Protection should work with state agencies to improve their recycling programs and more actively promote recycling to commercial businesses.

The Governor's Office, state agency heads, the Florida Board of Education, and university presidents should ensure that agencies and universities comply with recycling laws and provide for the appropriate and cost-effective disposal of solid waste.

Purpose

Section 11.513, *Florida Statutes*, directs the Office of Program Policy Analysis and Government Accountability to complete a program evaluation and justification review of each state agency that is operating under a performance-based program budget. Justification reviews assess agency performance measures and standards, evaluate agency performance, and identify policy alternatives for improving services and reducing costs.

This report is part of a series that reviews the Waste Management Program administered by the Department of Environmental Protection. It reviews the state's Recycling Program and identifies ways to increase state recycling rates.

It also follows up on previous OPPAGA reports relating to state recycling and education grants.¹ Other reports in the series address waste management cleanup funding, state brownfield initiatives, and privatization of laboratory activities.

Background

In 1988, the Legislature created several initiatives to encourage recycling and waste reduction.² This legislation required counties to establish recycling programs and created a state grant program to provide seed money to help counties implement recycling.

The initiatives were intended to reduce the amount of waste going to landfills and incinerators, thereby extending the life of current landfills. The initiatives were also intended to save money by reducing waste disposal costs and conserving resources by reducing the use of virgin wood, steel, aluminum, and other materials in manufacturing. Additional goals were to develop markets that promote the recycling industry; and create jobs at businesses engaged in recycling.

The Department of Environmental Protection administers the state's Recycling Program and annually publishes a report on Florida's solid waste management. The department allocated \$284,000 and six full-time equivalent positions to the program in Fiscal Year 2001-02. The staff collects recycling data from counties, provides technical assistance on recycling to businesses and local governments, and administers recycling and education grants to county governments. In Fiscal Year 2001-02, these grants were allocated \$2.5 million.

The Department of Management Services (DMS) also plays a role in the state's recycling activities. State law requires the department to review and revise procurement procedures and

specifications for the purchase of recyclable materials.³ All state agencies must ensure that their procurement policies result in purchasing recyclable materials to the maximum extent feasible.

State agencies must report their total expenditures on recyclable and virgin materials to DMS. The department must design a uniform reporting mechanism and submit annual summaries of recycled content purchases to the Governor, Senate President, and House Speaker. In addition, DMS provides technical assistance to state agencies, state universities, and state courts, which are required to establish recycling programs. DMS also administers an agreement with a recovered materials hauling company that collects office paper from state office buildings in Tallahassee and transports the paper to a local recycling company.

Prior OPPAGA Reports Relating to Recycling

Prior Reports. OPPAGA issued two prior reports in 1996 and 1999 that reviewed recycling and education grants administered by the Department of Environmental Protection. OPPAGA's 1996 report concluded that recycling and education grants were successful in assisting counties in establishing local recycling programs in Florida. Data available at the time indicated that a majority of counties with populations greater than 50,000 were meeting the established goal of recycling at least 30% of their municipal solid waste by the end of Fiscal Year 1994-95.⁴ Further, the statewide recycling rate had significantly increased from 4% in 1988 (the year the recycling and education grants were established) to 33% as of June 1995.

Our 1996 report concluded that recycling and education grants to counties could be discontinued without significantly affecting recycling rates because recycling programs in most counties would continue without state funding. Eliminating the grants at that time would have resulted in an estimated annual cost

¹ OPPAGA previously issued two reports reviewing the Recycling and Education Grants Program, *Review of the Recycling and Education Grants Program Within the Department of Environmental Protection*, OPPAGA [Report No. 95-46](#), April 1996, and *Progress Report: Recycling and Education Grant Program*, OPPAGA [Report No. 99-03](#), August 1999.

² Chapter 88-130, *Laws of Florida*.

³ See s. [287.045](#), *F.S.*

⁴ The population threshold was changed in 1998 to 75,000.

savings of \$22.7 million. Our report also concluded that the greatest potential for increasing recycling was in the commercial sector.⁵ The commercial sector had a lower participation rate in recycling than the residential sector, but was responsible for 71% of the state's total tonnage in recycled materials.

A second OPPAGA report issued in 1999 noted that the Legislature had adopted one of the options noted in our prior report and reduced the funding for recycling and education grants from \$22.7 million to \$10.3 million in Fiscal Year 1997-98.

Our 1999 report also found that, based on available data, the statewide recycling rate had increased to 34% and that a majority of large counties were still meeting the 30% recycling goal. It also concluded that the commercial sector remained as the area with the most potential for increasing recycling success. This report also reiterated our recommendation that the Legislature eliminate the recycling and education grants and phase them out over a multi-year period.

Current Report. This report examines the current status of recycling efforts in the state and makes recommendations for improving its performance. It also reiterates our prior report's recommendations that recycling and education grants are no longer needed to help establish county recycling programs and can be eliminated.

Findings

The state and most counties are no longer meeting the Legislature's established recycling performance standards. State agencies in particular have done a poor job recycling, and recycling by businesses tends to be low. Better recycling by state agencies and the commercial sector could substantially increase the state's recycling rate.

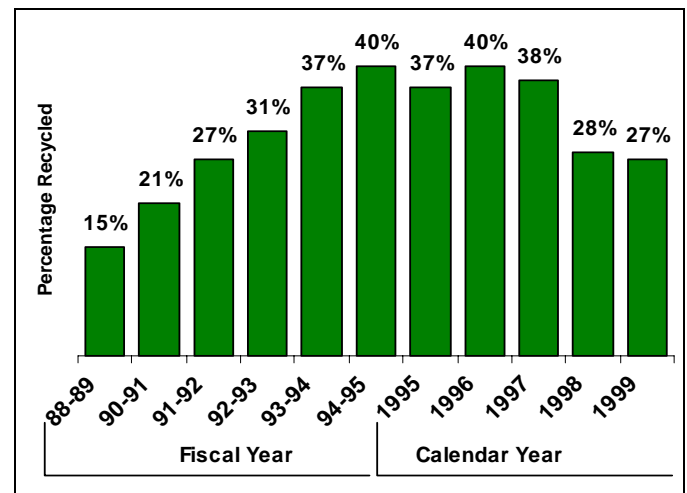
⁵ For purposes of recycling, the commercial sector includes commercial, institutional, and governmental establishments.

The Legislature should continue to phase out recycling and education grants. This would save \$2.5 million annually. However, if the Legislature decides to maintain the grants in some form, it should consider targeting the grants to all counties for programs that will significantly increase commercial recycling and encourage development of recycling markets.

The state is no longer meeting legislative recycling goals

The state is not meeting the current legislatively established recycling standard of 38%.⁶ The most recent recycling data from the department indicates that the statewide recycling rate for calendar year 1999 was 27%.⁷ Further, as shown in Exhibit 1, the state's recycling rate has decreased in recent years.

Exhibit 1
The State Did Not Meet the 38% Recycling Standard in Calendar Years 1998 and 1999



¹ For reporting purposes, the department changed the unit of annual measurement from fiscal year to calendar year in 1995.

Source: Department of Environmental Protection.

⁶ The latest national average recycling rate reported by the U.S. Environmental Protection Agency is 28% for 1999. The EPA recommends a goal of 35% by 2005.

⁷ The department requires counties to submit recycling figures for the previous calendar year by October 1 to coincide with grant application deadlines. Department staff reports that verifying the data takes several months. Staff expects to verify recycling data for 2000 by February or March of 2002.

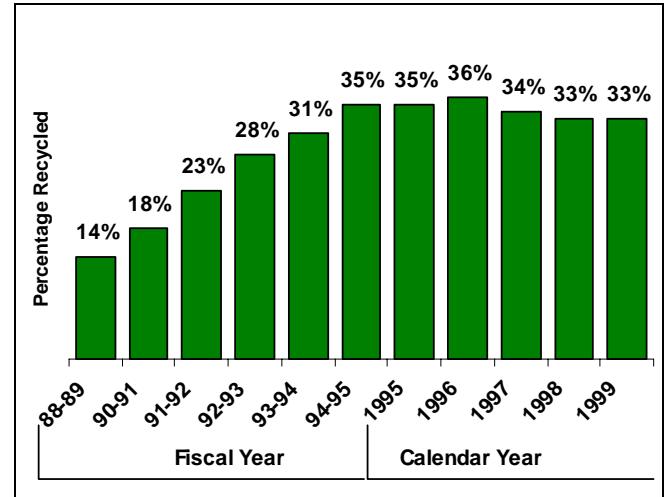
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Department managers indicated much of this decline was due to changing the methodology for calculating how much municipal solid waste is recycled.⁸ The new method, implemented in 1998, resulted in the department counting more construction and demolition debris as waste.⁹ Inclusion of the additional construction and demolition debris increased the total amount of waste and thereby reduced the percentage reported as being recycled. In addition, department staff indicated that many counties overstated the volume of recycled construction and demolition debris prior to 1998.¹⁰ This was prior to an administrative rules change that required construction and demolition debris companies to report this data directly to the department. As a result, recycling rates reported by the department before 1998 were inflated.

However, as shown in Exhibit 2, the state would still not have met the recycling standard of 38% in 1999 or previous years even if construction and demolition debris had been excluded from the recycling calculation. Thus, we conclude that the state has not made progress in recent years toward achieving its overall recycling goal.

Several factors have contributed to the lack of progress in increasing recycling rates, including counties focusing on residential rather than commercial recycling, poor recycling by state agencies, and weak local markets for some recyclable materials. These factors and our findings and recommendations for addressing them are presented later in this report.

Exhibit 2
The State Did Not Meet the 38% Recycling Standard, Even If Construction and Demolition Debris Were Excluded from 1989 to 1999



¹ For reporting purposes, the department changed the unit of annual measurement from fiscal year to calendar year in 1995.

Source: Department of Environmental Protection.

Most counties have not met the statutory 30% waste reduction goal

In addition to the statewide goal, the statutes require counties with populations over 75,000 to reduce the amount of waste deposited in landfills or incinerators by 30%. Counties attempt to meet this goal through recycling.¹¹ However, of the 35 counties with populations exceeding 75,000, only 15 (43%) met the 30% goal by 1999. (See Exhibit 3.)

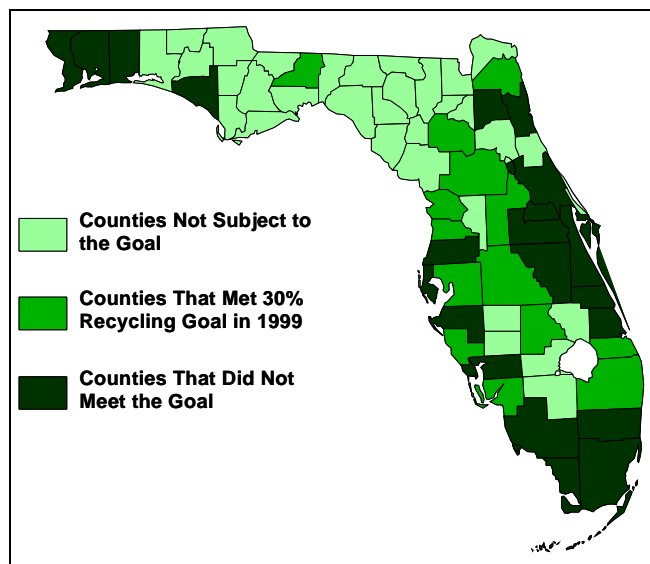
⁸ Municipal solid waste includes any solid waste, except for sludge, resulting from the operation of residential, commercial, governmental, or institutional establishments that would normally be collected, processed, and disposed of through a public or private solid waste management service. The term includes yard trash but does not include solid waste from industrial, mining, or agricultural operations. See [s. 403.706\(5\), F.S.](#)

⁹ Construction and demolition debris includes steel, brick, concrete, lumber, rocks, trees, and other materials discarded from the construction or destruction of a structure or clearing land.

¹⁰ According to staff, the counties classified road-building materials as part of the municipal solid waste stream. While this material is construction and demolition debris, it is not municipal solid waste.

¹¹ See s. [403.706\(4\)\(d\), F.S.](#)

Exhibit 3
15 of 35 Counties with Populations Over 75,000
Met the Recycling Goal of 30%



Source: Department of Environmental Protection.

Counties met the 30% goal in a variety of ways. County solid waste staff cited mandatory recycling ordinances, education programs, and strong support among local residents as reasons why they met the goal. However, of the 15 counties that met the 30% goal in 1999, none met the statutory requirement to recover a majority of five items for recycling: newspaper, aluminum cans, steel cans, glass, and plastic bottles.¹² This is called the “minimum 5” requirement. Currently, only 25 of the 35 counties met the goal for any of the five items. (See Exhibit 4.) Department staff indicates that this requirement was established to emphasize residential recycling in the program’s beginning years.

¹² State law requires counties to recover a majority of five items for recycling: newspaper, aluminum cans, steel cans, glass, and plastic bottles. The department interprets the term “majority” to require a recycling rate of more than 50% for these materials.

Exhibit 4
Counties Have Not Met Statutory Goal to Recycle
Majority of Five Materials; Only 25 Counties Met the
Goal for Any Materials

County	Materials Recycled Meeting Goals
Alachua	Glass
Brevard	Newspaper
Broward	Newspaper
Clay	Newspaper
Collier	Newspaper, Plastic Bottles
Duval	Newspaper
Gadsden	Aluminum Cans
Gilchrist	Aluminum Cans, Plastic Bottles
Hendry	Plastic Bottles
Holmes	Aluminum Cans
Lake	Newspaper
Lee	Newspaper, Steel Cans
Leon	Aluminum Cans, Newspaper
Madison	Glass
Martin	Newspaper
Okeechobee	Glass
Palm Beach	Steel Cans
Pinellas	Aluminum Cans, Steel Cans
Putnam	Newspaper, Steel Cans
St. Lucie	Newspaper
Santa Rosa	Steel Cans
Sarasota	Glass, Newspaper
Seminole	Newspaper
Sumter	Newspaper
Wakulla	Newspaper

Source: Department of Environmental Protection.

State agencies’ recycling efforts are poorly implemented

State government, which is Florida’s largest employer, does a poor job recycling materials.¹³ The state has higher potential for recycling, as agencies, universities, and prisons use large quantities of paper products. State government recycling could thus have a significant effect on Florida’s recycling rate.

¹³ The state had 172,000 established positions as of December 31, 2000, including all state employees in the legislative, executive, and judicial branches of government and the state universities. The state also manages a prison population exceeding 70,000 inmates and 11 universities that serve more than 149,000 FTE students.

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Florida law requires that each state agency and the State University System establish recycling programs in cooperation with the Department of Environmental Protection and the Department of Management Services.¹⁴ The law requires agencies, at a minimum, to recycle aluminum, office paper, and corrugated paper. Agencies must have procedures to collect and store recyclable materials, have containers for storing materials, and establish contractual or other arrangements with buyers of the recyclable materials. Finally, agencies must evaluate the amount of material they recycle and take steps to ensure that all recyclable materials are effectively and practicably recycled.

However, state agencies are doing a poor job in carrying out these responsibilities.¹⁵ Our survey of state agencies and universities identified several concerns regarding their recycling efforts.¹⁶

- Although 15 of the 18 agencies that responded to our survey provide separate containers for recyclable materials and garbage in their employees' offices, 9 of them report that janitorial staff does not always keep the materials separate when picking up the trash.
- Among 11 agency recycling coordinators who said they surveyed agency dumpsters, 5 said that garbage was sometimes thrown into recycling dumpsters or that the agency lacked sufficient recycling dumpsters.¹⁷

- Eight agencies make no provision to recycle aluminum, even though the law requires this.
- Only three agencies keep track of the volume of recycled waste although the law requires that all agencies do so.¹⁸ Some rely on the Department of Management Services to do it for them, but could not provide figures.
- More than half of the agencies conduct little or no recycling education for their employees.

Recycling at state universities varies widely. Six of the eight universities reported recycling a variety of materials from office paper to batteries. However, solid waste staff at two universities did not know what areas, if any, on campus had recycling containers, although they planned inventories to find out. While one university reported that it saved approximately \$40,000 in Fiscal Year 2000-01 by placing recycling containers in all buildings, the recycling coordinator in that county said the university still sent large quantities of recyclable office paper to the landfill.

The effects of state agencies' weak recycling efforts are especially evident in Leon County, which has approximately 44,000 state employees, or more than one-fourth of the county's non-agricultural employment.

- Tallahassee/Leon County solid waste managers estimated that over half (50% to 70%) of the contents of dumpsters transported to the landfill from state office buildings in Tallahassee could have instead been recycled. We verified that the dumpsters contained large quantities of office paper, which is readily recyclable, that was destined for the landfill. By hand, OPPAGA, DEP, and Leon County employees examined a 400-pound sample from the Capitol Building compactor and found that 57% of the material was recyclable.

¹⁴ See s. 403.714, F.S.

¹⁵ Although state agencies are required to evaluate the amount of material recycled, they do not routinely collect data indicating how much office paper, aluminum, and corrugated paper is being recycled. State agencies collected some data on the amount of office paper recycled during the period from 1995 to 2000. However, their recycling rates cannot be determined because they did not compile data on the total amount of paper that was not recycled. Since data on recycling by state agencies is not available, we relied on interviews with agency recycling coordinators and site visits to the Tallahassee landfill to examine agency recycling efforts.

¹⁶ We surveyed all state agencies and universities. We obtained responses from 18 state agencies and eight universities with recycling coordinator staff.

¹⁷ State agency recycling coordinators typically perform other duties and spent less than 10% of their time on recycling activities.

¹⁸ During the two-year period from July 1999 through June 2001 the Department of Children and Families recycled 123.7 tons, the Department of Corrections recycled 1,930.9 tons, and the Department of State recycled 781.28 tons.

- Leon County solid waste staff told us that better recycling by the state would have allowed the county to extend the life of the landfill.¹⁹ State government accounts for 7% of the landfill's total trash. The facility is near capacity and must close at the end of calendar year 2002. Since the county cannot find a new landfill site or expand the current facility, it will transport the trash to another county's landfill for final disposal.
- Managers of a Leon County recycling firm told us that up to 20% of the solid waste it received from state office buildings was contaminated with garbage, which requires costly separation by hand. The firm also reported that it had the capacity to handle twice the current volume of recyclable materials from state agencies.

Although the total amount of savings from improved recycling statewide is not readily available, we believe the amount would be significant. For example, improved recycling by state agencies in Leon County alone could have saved an estimated \$117,421 in calendar year 2000 by reducing waste disposal fees.²⁰ Additional savings may be achieved by improved recycling at state prison facilities. The New York state prison system, which is similar in size to Florida's, saved approximately \$1.2 million in avoided waste disposal costs in Fiscal Year 1999-00. However, Florida's prisons only saved an estimated \$80,000 in Fiscal Year 2000-01.²¹

A factor that could hinder efforts to improve state agency recycling is that the Department of Management Services' contract with a Tallahassee recycling company to collect and process office paper at no cost to the state expired on October 8, 2001.²² Meanwhile, the state is paying a waste management firm

\$9,341.20 a month to collect office paper on an interim basis until an Invitation to Negotiate attracts a new contractor.²³ Department staff issued the Invitation to Negotiate in October 2001. However, the department has not yet entered into a contract for this activity.

Further, the Department of Management Services no longer employs staff whose primary responsibilities involve recycled products procurement and recycling contract management. Beginning in Fiscal Year 1993-94, the Legislature annually appropriated \$596,537 for these activities. However, the 2001 Legislature eliminated this funding. Department staff reports that contract management activities will continue, but recycling education for state agencies will end. Some state agency recycling coordinators and program staff indicated that the state has not taken an active role in promoting recycling in recent years. The Department of Management Services has developed some materials for educating state agency personnel regarding recycling, but these are not widely viewed and have not been updated in at least three years.

In the absence of department recycling education activities, it will be important for agencies to promote recycling by employees. Program staff indicated that it would be helpful for the Governor and agency heads to underscore the need for recycling and waste reduction as a means to help improve recycling rates among state agencies and to save the state money.

Given the elimination of the Department of Management Services' funding for recycling activities, the Department of Environmental Protection would be the more appropriate agency to administer the state's recycling contract. DEP staff is familiar with statutory requirements for state agency recycling, has knowledge about markets for recycled materials, and has the expertise to assist agencies in implementing their recycling programs. Although Department of Management Services

¹⁹ Solid waste staff was unable to estimate how long the landfill's life would have been extended.

²⁰ This estimate was developed by Leon County solid waste staff based on the belief that one-half of the trash delivered to the landfill could have been diverted through recycling.

²¹ This is based on 1,930.9 tons the department reported recycling and an average statewide landfill tipping fee of \$41.62 per ton.

²² This contract only covered state office buildings in Leon County. It replaced a statewide contract that expired in 2000.

²³ The department has entered into a Statewide Negotiated Agreement Price Schedule II (SNAPS-II) with the contractor that continues the service until October 31, 2002.

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staff has more contract management expertise, DEP staff has the most recycling expertise.

Commercial recycling has great potential for growth

Increased recycling by the commercial sector offers the greatest opportunity for increasing statewide recycling rates. Commercial businesses generate the majority of trash in Florida, but have low recycling rates. As shown in Exhibit 5, in 1999, the most recent year for which data is available, only 43% of commercial users participated in recycling, compared to 74% of single-family households. However, because commercial businesses generate more trash, they accounted for 61% of the total tonnage of waste recycled in Florida.²⁴ (See Exhibit 5.)

Exhibit 5 Florida's Recycling Participation Was Lower for Commercial Users in 1999

Service Level	Single-Family	Multi-Family	Commercial
Recycling available	75%	65%	66%
Participate in recycling	74%	72%	43%
Percentage of recycled waste	29%	10%	61%
Millions of tons	1.9	0.7	4.1

Source: Department of Environmental Protection.

Two reasons account for lower recycling rates among commercial users. First, as shown in Exhibit 5, recycling services are not available to as many commercial users compared to residential users. Second, local recycling programs have primarily emphasized residential recycling rather than encouraged recycling by businesses.

The Department of Environmental Protection has taken some steps to encourage businesses to recycle their waste. The department provides businesses with information about the U.S. Environmental Protection Agency's (EPA)

recycling programs such as WasteWise, which provides free technical assistance to help organizations develop and implement their own waste reduction and recycling activities that save the organizations money.

The Department of Environmental Protection also offers recycling loans to small businesses through a contract with the Florida First Capital Finance Corporation.²⁵ As of September 30, 2001, 14 recycling loans had been made to Florida companies. Companies use the money to purchase equipment and machinery that increase Florida's recycling capacity. As required by the contract with the department, the corporation also conducts marketing activities to make recycling businesses aware that the loans are available.

Department staff also is providing recycling education to specific business sectors. For example, the department will hire an expert to draft recommendations for Florida's lodging industry that possibly will result in a program to promote conservation, recycling, waste reduction and pollution prevention.

However, in our opinion, the department could take steps to further encourage commercial recycling. These would include expanding the availability of recycling services to commercial users and increasing their use of these services.

Department recycling grants should be discontinued

The Legislature annually appropriates money from the Solid Waste Management Trust Fund for several grant programs administered by the department, including recycling and education grants. As noted previously, our 1996 and 1999 reports concluded that the recycling and education grants had fulfilled their purpose of helping to create local recycling programs and should be phased out. The Legislature partially implemented our recommendations by reducing funding for these grants from \$10.1 million in Fiscal Year 1997-98 to \$2.5 million in Fiscal Year

²⁴ This finding is consistent with previous OPPAGA reports. See *Review of the Recycling and Education Grants Program Within the Department of Environmental Protection*, OPPAGA Report No. 95-46, April 1996, and *Progress Report: Recycling and Education Grant Program*, OPPAGA Report No. 99-03, August 1999. A commercial unit includes commercial, institutional, and governmental establishments.

²⁵ A business must have a net worth less than \$6 million and fewer than 100 employees to qualify. The maximum loan amount is \$200,000.

2001-02.²⁶ Legislation enacted in 2001 also restricted these grants to counties with populations under 100,000.

Restricting these grants to counties with populations under 100,000 was based on the assumption that small counties would be more likely than large counties to reduce or discontinue recycling services if grant funding was eliminated. However, small counties accounted for only 5.1% of the municipal solid waste collected in Florida in 1999. Accordingly, these small county grants will have little effect on the percentage of waste that is recycled in the state.

The Governor's Budget Recommendations for Fiscal Year 2002-03 includes \$12 million for solid waste grants. The grants would be available to all counties for recycling, education, litter reduction, and waste tire management. The department indicates that the grants would supplement local revenues to assist the counties in meeting statutory litter prevention and recycling goals.

We continue to believe that these grants could be phased out without significantly affecting current recycling rates. This would save \$2.5 million annually. However, if the Legislature decides to continue funding the grants, we believe the grants could have a greater effect if they were shifted from small counties to helping improve commercial recycling statewide, including Florida's larger counties. For example, the grants could target local programs that increase the availability of recycling services to businesses, provide them with recycling education and provide assistance to developing markets for the sale of recycled products.

Local recycling markets are weak

As noted earlier, no counties met the statutory requirement to recycle a majority of five items (newspaper, aluminum cans, steel cans, glass, and plastic bottles) in 1999. However, we concluded that this requirement does not take into consideration differences in local waste

streams, market conditions for recycled products, or the availability of recycling services. As a result, the requirement can require counties to collect materials for which there is a weak local market.

For example, some county recycling managers indicate that the recycling industry's demand for recycled glass is dropping because this commodity is being eliminated from packaging. In Pinellas County, the largest recycler stopped handling glass, thus impeding the county's ability to meet the majority requirement for this item. By comparison, Alachua County reported recycling 88% of its glass because the local recycling company can hold materials until recycling markets improve. In addition, the county has provided glass to a shingle manufacturing company in Duval County.

Also, performance in meeting the "minimum 5" requirement for a specific item varies widely from county to county. Pinellas County reported recycling 80% of its aluminum cans and 97% of its steel cans. On the other hand, Alachua County reported recycling only 23% of its aluminum cans and 14% of its steel cans.

Encouraging the development of stronger recycling markets for the "minimum 5" and other commodities may help counties in meeting legislatively established recycling goals and standards.

Conclusions and Recommendations

Recycling provides many environmental benefits to the state such as reducing the need for landfill space and conserving resources. Recycling also provides economic benefits such as saving money by avoiding waste disposal fee costs and creating jobs in the recycling industry. However, counties, state agencies, and the state as a whole have not achieved legislative recycling goals or followed legislative recycling mandates.

We believe that it is feasible for the state to achieve the established recycling standard of 38%. However, this will require greater

²⁶ The Legislature reduced funding for all solid waste management grants during this period, not just grants for recycling and education, from \$35 million to \$23 million in Fiscal Year 1997-98, then to \$5.8 million in Fiscal Year 2000-01.

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recycling by state agencies and universities and by commercial businesses. It will also require stronger markets for recyclable commodities.

We recommend that the Legislature consider increasing the county recycling goal from 30% to 38% for counties with populations exceeding 75,000. We believe this goal is attainable if state agencies improve their recycling performance, commercial recycling increases, and stronger recycling markets are developed.

We recommend that the Legislature continue to phase out recycling and education grants. This would save \$2.5 million annually. However, if the Legislature decides to maintain the grants in some form, it should consider targeting the grants to all counties for programs that will significantly increase commercial recycling and encourage development of recycling markets. These programs should provide recycling education for commercial users and increase the availability of recycling services to these users. Recycling education should emphasize cost savings benefits as well as the environmental benefits of recycling. These programs should also involve the private sector in developing markets for recyclable commodities.

To provide more direction to recycling efforts by state agencies, we recommend that the Legislature transfer responsibility for administering the state's recycling contract from the Department of Management Services to the Department of Environmental Protection. The Department of Environmental Protection has more expertise in recycling and may have more interest in ensuring that state agencies and universities follow legislative recycling mandates.

We recommend that the Department of Environmental Protection work with state agencies and state building managers to ensure that employees are aware of state recycling requirements. The department should also work with agencies to ensure that recycling containers are provided in all work areas to collect paper, aluminum cans, and other recyclable materials. Janitorial staff should be trained and monitored to ensure that recyclables are not mixed with garbage.

We also recommend that the department continue to work with local governments to promote recycling to commercial users, such as by informing them about the potential for saving money by avoiding waste disposal fee costs. Finally, we recommend that the Governor's Office, state agency heads, the Florida Board of Education, and university presidents ensure that agencies comply with s. 403.714, *Florida Statutes*, that requires state agencies and universities to effectively and practicably dispose of recyclable materials.

Agency Response

In accordance with the provisions of s. 11.513, *Florida Statutes*, a draft of our report was submitted to the Departments of Environmental Protection and Management Services for each to review and respond. Both departments provided written responses, and those responses are reprinted herein (Appendix A, pages 11-16).

OPPAGA provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision making, to ensure government accountability, and to recommend the best use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

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February 15, 2002

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Dear Mr. Turcotte:

Pursuant to Section 11.51(5), Florida Statutes, this is our response to your report, Eliminating Recycling Grants and Raising Recycling Rates Could Save Over \$2.5 Million. Our response corresponds with the order of your findings and recommendations.

Finding:

State Agencies' Recycling Efforts Are Poorly Implemented

State government, which is Florida's largest employer, does a poor job recycling materials. The state has higher potential for recycling, as agencies, universities, and prisons use large quantities of paper products. State government recycling could thus have a significant effect on Florida's recycling rate.

A factor that could hinder efforts to improve state agency recycling is that the Department of Management Services' contract with a Tallahassee recycling company to collect and process office paper at no cost to the state expired on October 8, 2001.

Recommendation:

We recommend that the Legislature transfer responsibility for administering the state's recycling contract from the Department of Management Services to the Department of Environmental Protection. The Department of Environmental Protection has more expertise in recycling and may have more interest in ensuring that state agencies and universities follow legislative recycling mandates.

Appendix A

Mr. John W. Turcotte
February 15, 2002
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Response:

The Department agrees with the recommendation and consistent with the language of statutory requirements established by the Legislature, we will take the actions necessary to implement the recommendation.

DMS and DEP are currently working together to find the most efficient and effective way to recycle for the State. A draft report is due to the Governor later this spring detailing what processes should be implement to insure that we are achieving both quality and quantity in our recycling efforts. Part of the study will focus on what procurement and educational procedures are necessary to ensure that the State's goal of recycling are met while keeping the costs at a minimum.

Although there is no contractor on state term contract, DMS does have a SNAPS agreement in place with Waste Management to insure that the recycled materials are being picked up from the various buildings throughout the county and delivered to Recycled Fibers.

If further information concerning our response is needed, please contact James D. Varnado, Inspector General, or John Davis, Audit Director, at 488-5285.

Sincerely,

/s/
Cynthia A. Henderson
Secretary

CH/taw
cc: Mallory Harrell, Deputy Secretary
Robert Hosay, Acting Director,
Division of State Purchasing



Jeb Bush
Governor

Department of Environmental Protection

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Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

February 14, 2002

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
111 West Madison Street, Room 312
Tallahassee, Florida 32399-1475

Dear Mr. Turcotte:

Thank you for the opportunity to comment on the draft of the Office of Program Policy Analysis and Government Accountability (OPPAGA) Justification Review titled: "Eliminating Recycling Grants and Raising Recycling Rates Could Save Over \$2.5 Million". I appreciate the opportunity your staff afforded us to meet and discuss the issues involved with your review.

I especially commend Larry Novey and Darwin Gamble, who showed a commendable extra effort in "getting their hands dirty" as part of their review process. We know of few, if any, staff in Tallahassee who would volunteer, as Larry and Darwin did, to help us conduct a solid waste sort at the Leon County landfill.

Your report notes: "The state is not meeting the current legislatively established recycling standard of 38%." We understand this statement to mean the state is not meeting the performance based budgeting standard proposed by the agency and established by the Legislature, rather than the legislatively mandated 30% recycling goal for counties established in section 403.706(4)(a), F.S. We proposed 38% for our performance based budgeting standard based on inaccurate and inflated recycling figures which were not discovered until the Legislature authorized us to begin collecting recycling data from construction and demolition debris management companies. We need to adjust that performance based budgeting standard downward to reflect the more accurate data we have received.

On a statewide average, for the last five or six years the counties have been a few percentage points short of the recycling goal. To provide some perspective, it should be noted that this has been true for almost every other state in the nation during that ~ time period. Most of the other states set goals for themselves in the late 1980's and early 1990's. Most of them fell short of those goals. Like Florida, most of their recycling rates plateaued during the last few years.

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The department's specific responses to the report's recommendations are provided below:

Recommendation One:

We recommend that the Legislature consider increasing the county recycling goal from 30% to 38% for counties with populations exceeding 75,000.

Response:

Due to the weak and uncertain state of the economy, the current worldwide decline in value of the recyclable materials markets, and the reduction of state recycling grants to counties, we believe this is not the best time to increase the county recycling goal. Instead, we recommend that the current 30% *waste reduction* goal for counties with populations greater than 75,000 be changed to a 30% *recycling* goal for counties over 100,000 population. (This is one of the recommendations from our October, 2001 report to the Legislature: *Florida's Recycling and Litter Programs: Current Status and Potential Future Directions.*)

Recommendation Two:

We recommend that the Legislature continue to phase out recycling and education grants. This would save \$2.5 million annually. However, if the Legislature decides to maintain the grants in some form, it should consider targeting the grants to all counties for programs that will significantly increase commercial recycling and encourage development of recycling markets.

Response:

We generally agree with this recommendation, with the caveat that recycling grants should continue: (1) on a competitive basis to all counties for innovative projects, and (2) at a maintenance level on a non-competitive basis to counties with populations under 100,000 to ensure that they are able to continue to provide their residents with the opportunity to recycle. In addition to targeting grants towards the commercial sector, we also recommend that construction and demolition debris be targeted. This is consistent with recommendations in our aforementioned *Florida's Recycling and Litter Programs* report.

Regarding development of recycling markets, one of the best ways to encourage that is through state and local government procurement of products with recycled content. To this end, the department has recently begun to increase its efforts to further educate its sister agencies concerning the importance of procuring products that will both protect our environment and enhance the state's recycling markets.

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Recommendation Three:

To provide more direction to recycling efforts by state agencies, we recommend that the Legislature transfer responsibility for administering the state's recycling contract from the Department of Management Services to the Department of Environmental Protection.

Response:

While it is true that DEP has more expertise in recycling than DMS (as noted in your report), the procurement of both recycling and waste disposal services for state offices is clearly a state facilities maintenance issue. Consequently, we feel it should continue to be the responsibility of the Department of Management Services. From day one in 1988 when the Legislature gave that responsibility to DMS (as part of the Solid Waste Management Act), we have provided advice and assistance to DMS as requested and as resources permitted. We think that arrangement can work in the future, if DMS is given the resources to do it.

Recommendation Four:

We recommend that the Department of Environmental Protection work with state agencies and state building managers to ensure that employees are aware of state recycling requirements. The department should also work with agencies to ensure that recycling containers are provided in all work areas to collect paper, aluminum cans, and other recyclable materials. Janitorial staff should be trained and monitored to ensure that recyclables are not mixed with garbage.

Response:

Section 403.714, F.S., directs the department to work with DMS in establishing and implementing both recycling and waste reduction programs. We think that cooperative arrangement can work in the future, if DMS is given the resources to do it. In recent weeks the Governor asked the department to assess the recycling efforts of the Capitol Complex and develop, with DMS, recommendations on how to improve the current situation. To this end, the department and DMS developed a work plan, which is currently being implemented in cooperation with Leon County, the City of Tallahassee, the House of Representatives, the Senate, and the recycled materials hauler and processor currently providing service to the state buildings in Tallahassee. In addition, DMS and the department are about to sign a letter of understanding which, among other things, establishes a work group to develop a plan to improve the operating efficiency and cost effectiveness of the waste disposal and recycling programs in office buildings administered by DMS. The first meeting of this group occurred on February 7, 2002.

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Should you need additional information or have questions about this response, please contact Ron Henricks, Environmental Administrator, or Peter Goren, Environmental Manager, at 488-0300.

Sincerely,

/s/
John M. Ruddell, Director
Division of Waste Management

JMR/pg/rh

cc: Joseph Aita, Director of Auditing