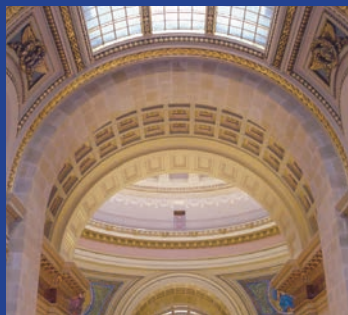


**Report 20-21  
November 2020**

# **State Recycling Programs**

STATE OF WISCONSIN



Legislative Audit Bureau ■



# **State Recycling Programs**

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# STATE OF WISCONSIN | Legislative Audit Bureau

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Joe Chrisman  
State Auditor

November 13, 2020

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

As requested by the Joint Legislative Audit Committee, we have completed an evaluation of state recycling programs administered by the Department of Natural Resources (DNR) and the Department of Agriculture, Trade and Consumer Protection (DATCP). In report 20-22, we identify 15 best practices local recycling programs can use to comply with state recycling laws and improve program administration.

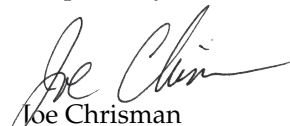
DNR administers two recycling programs that award grants to cover a portion of the recycling program costs of responsible units, which are generally municipalities and counties. In fiscal year (FY) 2019-20, \$20.0 million was appropriated for grants under these two programs. DNR also administers the E-Cycle program for manufacturers of certain electronic devices. We found DNR did not comply with statutes because it spent funds appropriated for recycling administration on activities related to recycling but not allowed by statutes, reviewed fewer recycling programs in recent years than was statutorily required, and did not fully comply with its administrative rules. We include recommendations for DNR to improve its administration of its recycling programs.

DATCP administers the Clean Sweep program, which awards grants to local governments to collect and dispose of unwanted prescription drugs, household hazardous waste, and agricultural pesticides. In FY 2019-20, \$750,000 was appropriated for this program. We found that DATCP did not require grant recipients to submit documentation to verify all expenditures for which reimbursement was requested. We include a recommendation for DATCP to require grant recipients to submit documentation to verify all expenditures for which they request reimbursement.

We surveyed all 1,077 responsible units, 585 of which (54.3 percent) responded. Most respondents indicated that they were satisfied with the recycling program-related assistance that DNR and DATCP provided them. Respondents were less satisfied with the amounts of their recycling grants and Clean Sweep grants. The Legislature could consider modifying the statutorily required method used by DNR to award recycling grants, which is based on the proportions of total available grant funding that each responsible unit had received in 1999.

We appreciate the courtesy and cooperation extended to us by DNR and DATCP. Responses from each state agency follow our report.

Respectfully submitted,

  
Joe Chrisman  
State Auditor

JC/DS/ss





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## Report Highlights ■

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***Statutes require DNR to annually award recycling grants in amounts that are determined according to provisions that date to 1999.***

***Most responsible units that responded to our survey indicated that they were satisfied with the recycling program-related assistance that DNR and DATCP provided them.***

***In report 20-22, we identify best practices that local governments can use to comply with state recycling laws and improve the administration of their recycling programs.***

The Department of Natural Resources (DNR) administers two recycling programs that award grants to cover a portion of the recycling program costs of responsible units, which are generally municipalities and counties. In fiscal year (FY) 2019-20, \$20.0 million was appropriated to these two programs. DNR also administers the E-Cycle program, which requires manufacturers of certain electronic devices to recycle or pay for the recycling of such devices that had been sold to households and schools.

The Department of Agriculture, Trade and Consumer Protection (DATCP) administers the Clean Sweep program, which awards grants to local governments for collecting and disposing of household hazardous waste, unwanted prescription drugs, and agricultural pesticides. In FY 2019-20, \$750,000 was appropriated to this program.

To complete this evaluation of state recycling programs (report 20-21), we:

- assessed how DNR administered its three recycling programs;
- assessed how DATCP administered its Clean Sweep program; and
- surveyed all 1,077 responsible units about their recycling programs.

In report 20-22, we identify best practices that local governments can use to comply with state recycling laws and improve the administration of their recycling programs.

## **Recycling in Wisconsin**

In recent years, foreign purchasers of recyclable materials introduced limits on the extent to which recyclable materials can be contaminated with inappropriate materials. As a result, the amount of recyclable materials available for sale in the U.S. increased considerably, and the market value of many of these materials decreased. In the Midwest, the market prices of seven common recyclable materials typically decreased from 2017 through 2019.

Statutes require each responsible unit to implement a recycling program to manage the solid waste generated within its region in accordance with statutory requirements. Responsible units that responded to our survey indicated that their recycling costs increased in recent years.

## **DNR's Program Administration**

In FY 2018-19, DNR's expenditures for its recycling grant, consolidation grant, and E-Cycle programs totaled \$21.8 million, including \$20.0 million for grants to responsible units and \$1.8 million for program administration.

The amount of time that DNR staff spent administering the three recycling programs declined from 17.1 full-time equivalent (FTE) staff positions in FY 2014-15 to 10.3 FTE staff positions in FY 2018-19. DNR indicated that some staff positions were vacant for periods of time but was unable to provide us with information indicating the extent of these vacancies.

We found a number of concerns with DNR's administration of its recycling programs, including:

- DNR did not comply with statutes because it spent funds appropriated for recycling administration on activities related to recycling but not allowed by statutes;
- DNR reviewed fewer recycling programs than was statutorily required from 2016 through 2018;
- DNR did not analyze the results of its recycling program reviews in order to provide all

responsible units with additional guidance on addressing common concerns;

- DNR did not establish written policies for reviewing the statutorily required annual reports of responsible units or document its reviews of these annual reports; and
- DNR did not fully comply with its administrative rules pertaining to effective recycling programs, and provisions in these rules are outdated.

## **Recycling Grants**

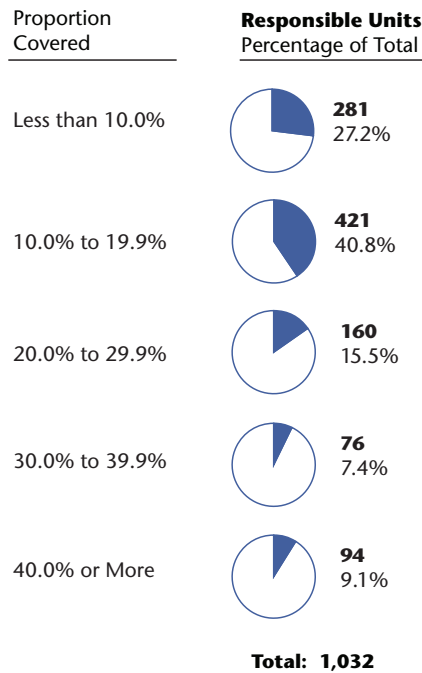
Since 2001, statutes have required DNR to annually award recycling grants in amounts that are determined according to provisions established in 1999 Wisconsin Act 9, the 1999-2001 Biennial Budget Act. Grants are to reflect the proportions of total available grant funding that each responsible unit had received in 1999. These proportions were determined, in part, by the population or the eligible expenditures of responsible units in 1999. Eligible expenditures are those incurred to operate an effective recycling program.

Recycling and consolidation grants covered 16.4 percent of the eligible recycling expenditures reported by responsible units in 2018. The grants have never covered all eligible expenditures since they were first awarded in 1992. In 1994, they covered 52.7 percent of eligible expenditures, which was the highest proportion covered in any given year. To have covered 30.0 percent of eligible expenditures in 2018 would have required \$36.6 million in grants, and to have covered 50.0 percent of eligible expenditures would have required \$61.0 million in grants.

The grants covered considerably different proportions among responsible units in 2018. As shown in Figure 1, the grants covered less than 10.0 percent of eligible recycling expenditures for 281 responsible units and 40.0 percent or more for 94 responsible units.

Figure 1

**Proportions of Eligible Recycling Expenditures Covered by Grants in 2018<sup>1</sup>**



<sup>1</sup> Includes recycling and consolidation grants.

**DATCP’s Program Administration**

DATCP’s expenditures for its Clean Sweep program totaled \$791,600 in FY 2018-19, including \$744,500 for grants to local governments and \$47,100 for program administration.

In 2019, DATCP awarded grants to 57 recipients in amounts that ranged from \$800 to \$58,200 and averaged \$13,200. Total program grants equaled 52.7 percent of the total amount requested by the applicants. All but 3 of the 57 recipients received at least 50.0 percent of the amounts they had requested.

We found that DATCP did not require grant recipients to submit documentation to verify all expenditures for which they request reimbursement.

## Opinions of Responsible Units

In January 2020, we surveyed all 1,077 responsible units on their opinions about DNR's recycling grant programs and DATCP's Clean Sweep program. A total of 585 responsible units (54.3 percent) responded, although not all respondents answered each question. Respondents represented 66.8 percent of Wisconsin's population.

Most respondents indicated that they were satisfied with the recycling program-related assistance that DNR and DATCP provided them. Respondents indicated that they were less satisfied with their grant amounts.

## Best Practices

In report 20-22, we identify 15 best practices that responsible units can use to comply with state recycling laws and improve the administration of their recycling programs. We grouped these best practices into five categories: outreach and education, containers, collection, drop-off sites, and program administration and oversight.

## Recommendations

In report 20-21, we recommend DNR report to the Joint Legislative Audit Committee by April 1, 2021, on improving its administration of its recycling programs through its efforts to:

- ☑ comply with statutes by spending all funds appropriated through s. 20.370 (4) (hq), Wis. Stats. on administering ch. 287, subchapter II, Wis. Stats. ([p. 19](#));
- ☑ consistently comply with statutes by annually reviewing the recycling programs of at least 5.0 percent of responsible units that were awarded recycling grants in the previous year ([p. 23](#));
- ☑ annually analyze the results of its reviews in order to provide guidance to all responsible units on addressing common concerns ([p. 23](#));
- ☑ establish written policies for reviewing the annual reports submitted by responsible units ([p. 24](#));
- ☑ document its reviews of the annual reports submitted by responsible units ([p. 24](#)); and
- ☑ update provisions in its administrative rules pertaining to effective recycling programs ([p. 25](#)).

We also include a recommendation for DATCP to report to the Joint Legislative Committee by April 1, 2021, on its efforts to require recipients of Clean Sweep program grants to submit documentation to verify all expenditures for which they request reimbursement ([p. 31](#)).

### **Issue for Legislative Consideration**

The Legislature could consider modifying the statutorily required method for awarding recycling grants to responsible units ([p. 21](#)).

## Introduction ■

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In order to protect public health and the natural environment and to conserve resources and energy, s. 287.05 (1), Wis. Stats., indicates that it is in the best interest of Wisconsin to maximize solid waste reduction, reuse, recycling, composting, and resource recovery. Statutes generally prohibit individuals from discarding certain materials in solid waste disposal facilities, such as landfills and incinerators. These materials include aluminum containers, cardboard, foam packaging, glass containers, magazines, newspapers, office paper, and plastic or steel containers, as well as certain electronic devices such as computers and printers.

***Statutes designate each Wisconsin municipality as a responsible unit, and counties may also designate themselves as responsible units.***

Statutes designate each Wisconsin municipality as a responsible unit. If a given county designates itself as a responsible unit, each municipality in that county becomes part of the county-level responsible unit, unless a given municipality within 90 days adopts a resolution maintaining its status as a responsible unit. Statutes permit any responsible unit to contractually designate another local government to be its responsible unit.

***Statutes require each responsible unit to implement a recycling program.***

Statutes require each responsible unit to implement a recycling program to manage the solid waste generated within its region in accordance with statutory requirements. Responsible units must provide their residents with information about the materials that cannot be discarded in solid waste disposal facilities, the importance of recycling electronic devices, and opportunities to recycle electronic devices.

Table 1 shows the three recycling programs that DNR administered and the one recycling program that DATCP administered.

Table 1

**Recycling Programs That DNR and DATCP Administered**

Program Description	
<b>DNR</b>	
Recycling Grant Program	Covers a portion of the costs of responsible units to operate effective recycling programs.
Consolidation Grant Program	Covers a portion of the costs of effective recycling programs operated by responsible units that consolidated their operations or cooperated with other responsible units.
E-Cycle Program	Requires manufacturers to recycle or pay for the recycling of certain electronic devices sold to Wisconsin households and schools.
<b>DATCP</b>	
Clean Sweep Program	Covers a portion of the costs of local governments to collect and dispose of household hazardous waste, unwanted prescription drugs, and agricultural pesticides.

Statutes require DNR to administer a recycling grant program that covers a portion of the costs of responsible units to operate effective recycling programs. An effective recycling program must include a number of elements, including public education to inform residents about reasons to recycle, local opportunities to recycle materials, and a prohibition on discarding certain materials in solid waste disposal facilities. In FY 2019-20, DNR was appropriated \$19.0 million for these grants.

Statutes require DNR to administer a consolidation grant program. DNR must award a grant to any responsible unit with an effective recycling program that is a county or an Indian tribe, or that has a population of 25,000 or more and includes one or more municipalities. DNR must also award a grant to any responsible unit with an effective recycling program that by October 1 of the prior year either had been created as a result of multiple responsible units consolidating or that had entered into a cooperative agreement with another responsible unit in order to jointly provide one or more statutorily prescribed elements of an effective recycling program. In FY 2019-20, DNR was appropriated \$1.0 million for these grants.



Statutes require DNR to administer a program for recycling electronic devices. This is commonly referred to as the E-Cycle program. Manufacturers of electronic devices are statutorily required to recycle or pay for the recycling of certain electronic devices sold to Wisconsin households and schools. Such devices include televisions, computers, computer monitors, and computer printers. Manufacturers must annually register with DNR and report on the weight of all such electronic devices they sold. In addition, they must pay an annual fee up to \$5,000, based on the number of electronic devices they sold.

Statutes require DATCP to administer the Clean Sweep program, which awards grants to local governments to help cover the costs of collecting and disposing of household hazardous waste, unwanted prescription drugs, and agricultural pesticides. DATCP must award two-thirds of available funds to collect and dispose of household hazardous waste and unwanted prescription drugs. In FY 2019-20, DATCP was appropriated \$750,000 for this program.

Responsible units arrange for recyclable materials to be collected from households or provide drop-off locations. Responsible units either pay hauling firms to collect and transport these materials to materials recovery facilities, or they collect and transport these materials themselves. Materials recovery facilities sort the materials by type and reduce the amount of contamination from food, garbage, and other inappropriate materials. Materials recovery facilities sell the recyclable materials to purchasers that process them into paper pulp, plastic flakes, or other raw materials that can be used to manufacture new products. Some responsible units sell the recyclable materials directly to purchasers.

***We reviewed information on recycling programs operated by 22 other states and surveyed all 1,077 responsible units in order to obtain their opinions about recycling issues.***

To complete this evaluation, we contacted DNR, DATCP, 25 responsible units, and 7 organizations involved with recycling, including the statutory Council on Recycling that advises the Governor and the Legislature on recycling issues. We also visited four materials recovery facilities. To determine changes in the market prices of recyclable materials, we obtained data from a firm that collects such information throughout the nation. We reviewed information on recycling programs operated by 22 other states. In January 2020, we surveyed all 1,077 responsible units on their opinions about recycling issues, including how DNR and DATCP administer their recycling programs. Our survey also asked responsible units to identify examples of best practices they use to comply with state recycling laws and improve the administration of their recycling programs. We present these recycling best practices in report 20-22.

## Recycling in Wisconsin

***In recent years, purchasers introduced new limits on the extent to which recyclable materials can be contaminated with inappropriate materials.***

In recent years, purchasers introduced new limits on the extent to which recyclable materials can be contaminated with inappropriate materials. In 2013, China began to curtail the amount of contamination in recyclable materials it imported. In 2018, it banned many types of recyclable materials, including most plastics and paper waste, and limited contamination rates to 0.5 percent of the weight of recyclable materials that were not banned. Other nations subsequently restricted their import of recyclable materials. As a result, the amount of recyclable materials available for sale in the U.S. increased considerably, and the market value of many of these materials decreased.

In January 2020, we surveyed all 1,077 responsible units about their recycling programs. A total of 585 responsible units (54.3 percent) responded to our survey. However, not all responsible units responded to every survey question.

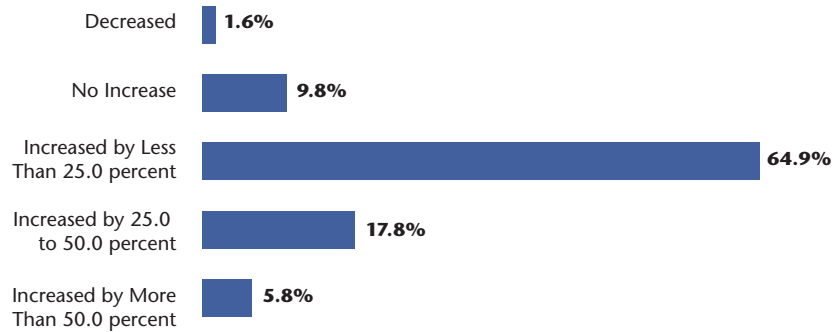
Responsible units incur a variety of costs to operate their recycling programs. As noted, they arrange for the collection of recyclable materials or provide drop-off locations, and they either pay hauling firms to collect and transport these materials to materials recovery facilities, or they collect and transport these materials themselves. The decrease in the market value of recyclable materials increases recycling costs if materials recovery facilities charge more to accept such materials.

***A total of 88.5 percent of the responsible units that responded to our survey indicated that their recycling costs increased from January 2017 through January 2020.***

As shown in Figure 2, 88.5 percent of responsible units responding to our survey indicated that their recycling costs increased from January 2017 through January 2020, including 64.9 percent that indicated their costs had increased by less than 25.0 percent. Survey respondents typically indicated that property taxes and user fees cover the costs not covered by grants from DNR and DATCP. Approximately 80.0 percent of survey respondents indicated that they expect their recycling costs to further increase in 2020.

Figure 2

**Change in Recycling Costs for Responsible Units<sup>1</sup>**  
January 2017 through January 2020



<sup>1</sup> As indicated by 550 survey respondents.

DNR collects information from materials recovery facilities on the amounts of recyclable materials sold to purchasers. In addition to cardboard and aluminum, common types of materials recycled in Wisconsin include:

- mixed paper, such as magazines, mail, and printer paper;
- mixed glass, such as clear and colored glass containers and bottles;
- PET plastic, such as plastic food containers and beverage bottles;
- colored HDPE plastic, such as colored laundry detergent containers and shampoo bottles; and
- natural HDPE plastic, such as clear milk jugs and other clear plastic household containers.

As shown in Table 2, the total amount of materials recycled in Wisconsin declined from 833,300 tons in 2014 to 760,000 tons in 2018, which was the most-recent year for which this information was available at the time of our audit.

Table 2

**Amount of Materials Recycled in Wisconsin<sup>1</sup>**  
(in thousands of tons)

	2014	2015	2016	2017	2018
Cardboard	246.9	234.1	224.0	218.8	252.0
Mixed Paper	107.4	62.1	137.9	163.8	169.2
Mixed Glass	129.0	123.3	76.7	76.3	92.4
PET Plastic	13.3	17.8	20.9	22.8	23.1
Natural HDPE Plastic	3.7	6.1	7.0	7.2	7.2
Colored HDPE Plastic	2.8	4.4	5.4	5.2	8.5
Aluminum	6.1	6.1	6.8	5.7	7.1
Other	324.1	284.4	236.8	218.4	200.5
<b>Total</b>	<b>833.3</b>	<b>738.3</b>	<b>715.5</b>	<b>718.2</b>	<b>760.0</b>

<sup>1</sup> Amounts sold by materials recovery facilities, according to information collected by DNR.

We obtained data from a firm that collects information on the market prices of recyclable materials. This firm reports these prices for different regions of the nation, such as the Central and Midwest region, which includes Wisconsin.

***The market prices of seven common recyclable materials typically decreased from 2017 through 2019.***

As shown in Table 3, the market prices of seven common recyclable materials typically decreased from 2017 through 2019. Over this three-year period, the price of cardboard decreased by 72.3 percent, and the price of mixed paper decreased by 103.2 percent. Mixed glass had a negative price over this three-year period, indicating that materials recovery facilities paid purchasers to accept mixed glass. Discarding mixed glass and other materials in solid waste facilities can be more expensive than the amounts paid to purchasers of these materials, according to a recycling and waste management firm in Minnesota.

Table 3

**Average Market Price of Common Recyclable Materials, by Type<sup>1</sup>**  
(dollars per ton)

Type	2017	2018	2019	Percentage Change from 2017 through 2019
Cardboard	\$ 137	\$ 78	\$ 38	(72.3)%
Mixed Paper	62	6	(2)	(103.2)
Mixed Glass	(13)	(13)	(13)	0.0
PET Plastic	270	313	259	(4.1)
Natural HDPE Plastic	602	774	673	11.8
Colored HDPE Plastic	341	324	284	(16.7)
Aluminum	1,346	1,442	1,103	(18.1)

<sup>1</sup> According to data for the Central and Midwest region. Negative prices indicate that materials recovery facilities paid purchasers to accept these materials.

## Recycling in Other States

***Other states have implemented various recycling initiatives in recent years.***

Other states have implemented various recycling initiatives in recent years, which include:

- educating the public about recycling;
- awarding grants to upgrade the infrastructure of materials recovery facilities; and
- developing the markets for recyclable materials.

Education campaigns are intended to inform the public about recycling issues, including efforts to reduce the amount of inappropriate materials placed in recycling containers. Reducing the amount of such materials improves the overall quality and the value of recyclable materials, which may lower the costs that responsible units pay for the collection of these materials. In June 2019, Michigan implemented a \$2.0 million statewide public education campaign, including television commercials, billboards, and a website. Michigan believes this campaign has been successful, but it plans to conduct surveys and other analyses to measure the success of the campaign.

Other states have awarded grants to help materials recovery facilities upgrade their infrastructure, such as by installing optical sorters, artificial intelligence machinery, and robotic arms to separate recyclable materials. Such upgrades allow materials recovery facilities to more effectively process materials and, as a result, they may charge less to process them. In FY 2018-19, Michigan awarded \$4.0 million in recycling infrastructure grants, including \$1.3 million for upgrading materials recovery facilities, \$1.2 million for improving efforts to collect recyclable materials and increase recycling capacity, and \$800,000 to help build a new materials recovery facility.

Although the market prices for many recyclable materials decreased in recent years, the lower prices created opportunities for businesses that use less-expensive recyclable materials. At least nine other states have funded market development initiatives. For example, Minnesota funds projects that are intended to develop the markets for recycled glass, paper, and organic waste.



## DNR's Administration of Recycling Programs ■

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We examined how DNR administered its recycling grant and consolidation grant programs and its E-Cycle program and found a number of concerns. DNR did not comply with statutes because it spent funds appropriated for recycling administration on activities related to recycling but not allowed by statutes, and it reviewed fewer recycling programs in recent years than was statutorily required. In addition, DNR did not fully comply with its administrative rules pertaining to effective recycling programs, and provisions in these rules are outdated. We recommend DNR improve its administration of its recycling programs.

### Expenditures and Staffing

***In FY 2018-19, DNR spent \$21.8 million on its recycling grant, consolidation grant, and E-Cycle programs.***

As shown in Table 4, DNR spent \$21.8 million on its recycling grant, consolidation grant, and E-Cycle programs in FY 2018-19, including \$20.0 million for grants to responsible units and \$1.8 million for program administration. Program administration expenditures decreased from FY 2014-15 through FY 2018-19 primarily because of decreases in salary and fringe benefits expenditures.

Table 4

**Expenditures for DNR's Recycling Programs<sup>1</sup>**  
(in millions)

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
<b>Grants</b>					
Recycling	\$19.0	\$18.0	\$19.0	\$19.0	\$19.0
Consolidation	1.0	1.0	1.0	1.0	1.0
Subtotal	20.0	19.0	20.0	20.0	20.0
<b>Administration</b>					
Salaries and Fringe Benefits	1.7	1.1	1.1	0.8	0.9
Limited-Term Employee Wages	0.1	0.1	0.1	0.1	0.1
Supplies	0.8	0.3	0.7	0.7	0.8
Subtotal	2.6	1.5	1.9	1.6	1.8
<b>Total</b>	<b>\$22.6</b>	<b>\$20.5</b>	<b>\$21.9</b>	<b>\$21.6</b>	<b>\$21.8</b>

<sup>1</sup> Includes the recycling grant, consolidation grant, and E-Cycle programs.

***The amount of time that DNR staff spent administering its three recycling programs declined from FY 2014-15 through FY 2018-19.***

DNR was authorized 18.5 FTE staff positions for its three recycling programs in FY 2014-15 and 16.5 FTE staff positions from FY 2015-16 through FY 2018-19. As shown in Table 5, the amount of time that DNR staff spent administering its three programs declined from 17.1 FTE staff positions in FY 2014-15 to 10.3 FTE staff positions in FY 2018-19. DNR indicated that some staff positions were vacant for periods of time, but it was unable to provide us with information indicating the extent of these vacancies.

Table 5

**Number of FTE Staff Positions That Administered DNR's Three Recycling Programs**

Fiscal Year	Number <sup>1</sup>
2014-15	17.1
2015-16	12.3
2016-17	12.2
2017-18	9.2
2018-19	10.3

<sup>1</sup> Based on information DNR provided for how its staff coded their time. Includes limited-term employees.



***DNR did not comply with statutes because it spent funds appropriated for recycling administration on activities related to recycling but not allowed by statutes.***

We found that DNR did not comply with statutes because it spent funds appropriated for recycling administration on activities related to recycling but not allowed by statutes. Statutes require DNR to spend all funds appropriated through s. 20.370 (4) (hq), Wis. Stats., on administering ch. 287, subchapter II, Wis. Stats., other than a statewide education program and the recycling grants program. From FY 2015-16 through FY 2018-19, DNR spent at least \$807,400 on programs authorized under ch. 289, Wis. Stats., including the beneficial reuse of industrial byproducts program. DNR indicated that funds were spent appropriately because ch. 287, Wis. Stats., lists general recycling principles that include reusing solid waste, and it indicated that the beneficial reuse program in ch. 289, Wis. Stats., involves solid waste.

#### **Recommendation**

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*We recommend the Department of Natural Resources:*

- *comply with statutes by spending all funds appropriated through s. 20.370 (4) (hq), Wis. Stats. on administering ch. 287, subchapter II, Wis. Stats.; and*
- *report to the Joint Legislative Audit Committee by April 1, 2021, on its efforts to implement this recommendation.*

## **Recycling Grants**

Since 2001, statutes have required DNR to annually award recycling grants in amounts that are determined according to provisions established in 1999 Wisconsin Act 9, the 1999-2001 Biennial Budget Act. Grants are to reflect the proportions of total available grant funding that each responsible unit had received in 1999. DNR's administrative rules indicate that these proportions were determined, in part, by the population or the eligible expenditures of responsible units in 1999. Eligible expenditures are those incurred to operate an effective recycling program. Statutes require DNR to award consolidation grants based solely on the population of a given responsible unit.

In 2019, 1,035 responsible units applied for and were awarded recycling grants, and 39 of them did not apply for grants. These 39 responsible units had an average population of 1,030 and included 33 towns. In response to our survey, some of these 39 responsible units indicated that they had no recycling program

costs because their residents paid hauling firms to collect their recyclable materials.

***In 2018, recycling and consolidation grants covered 16.4 percent of the eligible recycling expenditures of responsible units.***

As shown in Table 6, recycling and consolidation grants covered 16.4 percent of the eligible recycling expenditures reported by responsible units in 2018. Information on eligible recycling expenditures in 2019 was not available at the time of our audit. The grants have never covered all eligible expenditures since they were first awarded in 1992. In 1994, they covered 52.7 percent of eligible expenditures, which was the highest proportion covered in any given year. To have covered 25.0 percent of eligible expenditures in 2018 would have required \$30.5 million in grants, to have covered 30.0 percent would have required \$36.6 million in grants, and to have covered 50.0 percent would have required \$61.0 million in grants.

Table 6

**Grants as a Proportion of the Eligible Recycling Expenditures of Responsible Units**  
(in millions)

	Grants <sup>1</sup>	Eligible Expenditures <sup>2</sup>	Percentage
2014	\$20.0	\$112.0	17.9%
2015	20.0	116.7	17.1
2016	19.0	116.0	16.4
2017	20.0	119.1	16.8
2018	20.0	122.0	16.4

<sup>1</sup> Includes recycling and consolidation grants.

<sup>2</sup> Eligible expenditures are those incurred to operate an effective recycling program.

***In 2018, recycling and consolidation grants covered considerably different proportions of eligible recycling expenditures among responsible units.***

Recycling and consolidation grants covered considerably different proportions of eligible recycling expenditures among responsible units in 2018. As shown in Table 7, the grants covered less than 10.0 percent of the eligible recycling expenditures for 281 responsible units and 40.0 percent or more for 94 responsible units. The proportion of eligible recycling expenditures covered by the 10 largest grants varied from 37.5 percent for Eau Claire County (which was awarded \$487,700) to 9.3 percent for the City of Green Bay (which was awarded \$433,200).

Table 7

**Proportions of Eligible Recycling Expenditures Covered by Grants in 2018<sup>1</sup>**

	Responsible Units	Percentage of Total
Less than 10.0%	281	27.2%
10.0% to 19.9%	421	40.8
20.0% to 29.9%	160	15.5
30.0% to 39.9%	76	7.4
40.0% or More	94	9.1
<b>Total</b>	<b>1,032</b>	<b>100.0%</b>

<sup>1</sup> Includes recycling and consolidation grants.

**Legislative Consideration**

***The Legislature could consider modifying the statutorily required method for awarding recycling grants to responsible units.***

The Legislature could consider modifying the statutorily required method for awarding recycling grants to responsible units. Currently, statutes require DNR to award the grants based on the populations or the eligible expenditures of responsible units in 1999. Since then, the populations and eligible expenditures may have changed considerably for responsible units. Thus, statutes could be modified to reflect the current populations and eligible expenditures of responsible units.

**Reviews of Recycling Programs**

Statutes require DNR to annually review the recycling programs of at least 5.0 percent of the responsible units that were awarded recycling grants in the previous year in order to ensure that these programs comply with statutory requirements. Statutes do not prescribe how these reviews are to be completed. DNR provides responsible units with information indicating that a review may include a visit to a responsible unit, but it also interviews responsible units and asks how they operate their programs. After completing a given review, DNR provides a responsible unit with guidance for improving how the responsible unit operates its recycling program. From 2015 through 2019, DNR should have reviewed at least 51 programs annually.

***DNR reviewed fewer recycling programs than was statutorily required from 2016 through 2018.***

We found that DNR reviewed fewer recycling programs than was statutorily required from 2016 through 2018, as shown in Table 8. DNR did not conduct any site visits after 2015. In 2019, all 73 interviews were conducted over the telephone.

Table 8

**DNR Reviews of the Recycling Programs of Responsible Units, by Type of Review<sup>1</sup>**

	2015	2016	2017	2018	2019
Site Visits	38	0	0	0	0
Interviews	53	1	10	28	73
<b>Total</b>	<b>91</b>	<b>1</b>	<b>10</b>	<b>28</b>	<b>73</b>

<sup>1</sup> Shaded boxes indicate that DNR did not comply with statutes because it did not conduct at least 51 reviews.

In 2016, DNR transferred responsibility for completing the reviews from its regional offices to its Madison central office, which it indicated prioritized other tasks. DNR indicated that staff vacancies hindered its ability to complete the reviews but, as noted, was unable to provide information indicating the extent of these vacancies. In addition, DNR indicated that it conducted the statutorily required number of reviews because it met with groups of responsible units and provided guidance on operating effective recycling programs. However, DNR did not review any programs at these meetings and, as a result, these meetings did not meet statutory requirements for these reviews.

***DNR did not analyze the results of its recycling program reviews in order to provide all responsible units with additional guidance on addressing common concerns.***

We found that DNR did not analyze the results of its recycling program reviews in order to provide all responsible units with additional guidance on addressing common concerns. We reviewed the records of all 73 telephone interviews DNR conducted in 2019 and found that these records indicated four primary areas of concern:

- 30 responsible units (41.1 percent) had not adopted plans for ensuring that businesses, individuals, and others comply with their program requirements;
- 27 responsible units (37.0 percent) had not sufficiently documented or inspected non-residential facilities and properties to assess compliance with their program requirements;
- 16 responsible units (21.9 percent) had not sufficiently documented their efforts to enforce recycling ordinances; and

- 13 responsible units (17.8 percent) had not sufficiently documented their responses to complaints about their programs.

DNR should improve how it reviews the recycling programs of responsible units. First, it should consistently comply with statutes by reviewing the programs of at least 5.0 percent of responsible units that were awarded recycling grants in the previous year. Second, DNR should annually analyze the results of its reviews in order to identify any trends that may indicate it needs to provide additional guidance to all responsible units. Doing so will help improve the programs statewide.

#### Recommendation

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*We recommend the Department of Natural Resources:*

- *consistently comply with statutes by annually reviewing the recycling programs of at least 5.0 percent of responsible units that were awarded recycling grants in the previous year;*
- *annually analyze the results of its reviews in order to provide guidance to all responsible units on addressing common concerns; and*
- *report to the Joint Legislative Audit Committee by April 1, 2021, on its efforts to implement these recommendations.*

## Reviews of Annual Reports

Responsible units that were awarded recycling grants must report to DNR by April 30 of each year on their recycling programs. Administrative rules require DNR to review all annual reports in order to ensure that the programs comply with legal requirements. DNR indicated that it reviews all annual reports, which are submitted electronically.

***DNR did not establish written policies for reviewing the annual reports of responsible units or document its reviews of these annual reports.***

We found that DNR did not establish written policies for reviewing the annual reports of responsible units or document its reviews of these annual reports. DNR indicated that it did not do so because it uses an IT system to query certain information in the annual reports, and it believes that these queries function as its policies and serve as documentation. However, DNR's queries did not discover that a responsible unit with a population of fewer than 1,500 had incorrectly reported \$3.7 million in eligible recycling expenditures in

2018. We contacted this responsible unit, which confirmed that the expenditure amount was incorrect. DNR was unaware of this error.

#### Recommendation

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*We recommend the Department of Natural Resources:*

- *establish written policies for reviewing the annual reports submitted by responsible units;*
- *document its reviews of the annual reports submitted by responsible units; and*
- *report to the Joint Legislative Audit Committee by April 1, 2021, on its efforts to implement these recommendations.*

## Administrative Rules

***DNR did not fully comply with its administrative rules pertaining to effective recycling programs.***

We found that DNR did not fully comply with its administrative rules pertaining to effective recycling programs. These rules require responsible units to annually collect specified amounts of certain recyclable materials, such as newspaper and glass containers, per individual living within their geographic areas. DNR did not require responsible units to report the amounts of each of these recyclable materials that were collected but instead required them to report only the total amount of all materials collected. DNR indicated that it did so because responsible units rely on information from materials recovery facilities to report the collected amounts of certain recyclable materials, and materials recovery facilities are generally unable to provide such information for each responsible unit. As a result, DNR does not believe it can enforce its rules as they are currently written.

***Provisions in DNR's administrative rules are outdated.***

We found that provisions in DNR's administrative rules are outdated. The specified amounts of recyclable materials that responsible units must annually collect have not changed since October 1993, even though the rules indicate that DNR intends to periodically revise them. Since October 1993, consumer habits have changed. For example, fewer newspapers are purchased today, compared to October 1993, making it challenging for responsible units to collect the specified amount of newspaper. DNR is aware that these provisions are outdated and indicated that it plans to update its rules, although it had not established a timeline for doing so as of November 2020.

DNR should update its administrative rules pertaining to effective recycling programs so that its rules reflect current recycling conditions. Doing so will help ensure that these legal requirements are relevant and can be enforced. DNR may also consider how best to determine if responsible units have annually collected the amounts of recyclable materials specified in its rules. Currently, responsible units report on the amounts collected by weight, but these amounts may include certain materials that materials recovery facilities subsequently determine cannot actually be recycled. This occurs when residents and businesses include inappropriate materials in their recycling containers.

#### **Recommendation**

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*We recommend the Department of Natural Resources:*

- *update provisions in its administrative rules pertaining to effective recycling programs; and*
- *report to the Joint Legislative Audit Committee by April 1, 2021, on its efforts to implement this recommendation.*

## **E-Cycle Program**

2009 Wisconsin Act 50, which was enacted in October 2009, created the E-Cycle program. Manufacturers of electronic devices must recycle certain electronic devices, such as televisions and computers, sold to Wisconsin households and schools. In a given year, a manufacturer must recycle 80.0 percent of the weight of certain electronic devices it had sold two years earlier.

As shown in Table 9, the amounts of electronic devices that manufacturers reported having recycled through the E-Cycle program from FY 2015-16 through FY 2018-19 exceeded the required amounts. Because electronic devices have generally become lighter over time, manufacturers have been required to recycle decreasing weights of such devices.

Table 9

**Amount of Electronic Devices Recycled through the E-Cycle Program<sup>1</sup>**  
(millions of pounds)

Fiscal Year	Required to Be Recycled	Reported as Recycled
2014-15	26.7	28.9
2015-16	23.0	26.7
2016-17	22.8	23.2
2017-18	22.0	23.1
2018-19	21.8	21.9

<sup>1</sup> According to information reported to DNR by manufacturers and recyclers.

Statutes require manufacturers to annually report to DNR on the amounts of electronic devices that they recycled. In addition, firms that collect and recycle these devices annually report information to DNR. To verify the information manufacturers reported, DNR compares it with information reported by firms that collect and recycle these devices and follows up when it discovers discrepancies. In October 2020, DNR established written E-Cycle program policies for verifying information reported by manufacturers of electronic devices.

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## DATCP's Administration of the Clean Sweep Program ■

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We examined DATCP's administration of the Clean Sweep program, through which local governments are awarded grants to cover a portion of the costs of collecting and disposing of household hazardous waste, unwanted prescription drugs, and agricultural pesticides. DATCP awarded grants on a calendar-year basis to counties, towns, villages, cities, tribes, police departments, public health departments, sanitary and sewerage districts, and regional planning commissions. We found that DATCP did not require grant recipients to submit documentation of all expenditures for which the recipients requested reimbursement, and that DATCP reimbursed recipients even when they submitted insufficient documentation. We recommend that DATCP require grant recipients to submit documentation to verify all expenditures for which they request reimbursement.

### Expenditures and Staffing

From FY 2014-15 through FY 2018-19, DATCP was appropriated \$750,000 annually to award program grants. DATCP covered its program administration costs with other funds.

***In FY 2018-19,  
Clean Sweep program  
expenditures totaled  
\$791,600.***

As shown in Table 10, Clean Sweep program expenditures totaled \$791,600 in FY 2018-19. Grant expenditures accounted for 94.2 percent of all program expenditures over our five-year audit period. DATCP typically awarded \$750,000 in grants each year, but some recipients did not spend all of their grants. DATCP indicated

that grant expenditures exceeded \$750,000 in FY 2016-17 because it awarded unused grant funds from prior years. It did so, in part, because some recipients did not request reimbursement for some or all of their awarded amounts.

Table 10

**Clean Sweep Program Expenditures**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Grants	\$681,500	\$741,000	\$775,700	\$729,000	\$744,500
Administration <sup>1</sup>	55,000	48,500	38,500	35,500	47,100
<b>Total</b>	<b>\$736,500</b>	<b>\$789,500</b>	<b>\$814,200</b>	<b>\$764,500</b>	<b>\$791,600</b>

<sup>1</sup> DATCP covered its program administration costs with other funds.

DATCP was authorized a 0.75 FTE staff position for program administration during each year of our five-year audit period. We found that DATCP used only 63.7 percent of the 0.75 authorized FTE staff position to administer the program over our five-year audit period.

**Program Grants**

Statutes require DATCP to annually award at least two-thirds of program funds for collecting and disposing of household hazardous waste (such as pesticides, lead and oil paints, and waste oil) and unwanted prescription drugs. Each year from 2015 through 2019, DATCP complied with this statutory requirement, and it awarded 72.1 percent of all grants for these two purposes over this five-year period.

DATCP annually determined how much of all grant funds it planned to award for collecting and disposing of the three types of materials covered by the program. In 2019, it divided the \$750,000 in program funding into \$475,000 for household waste, \$200,000 for agricultural pesticides, and \$75,000 for unwanted prescription drugs.

DATCP awarded program grants on a competitive basis. In 2019, it scored grant applications according to a number of criteria, including the extent to which local support existed for grant-funded activities, whether applicants planned to conduct outreach to publicize

grant-funded activities, and whether applicants planned to partner with other local governments and serve larger geographic areas. Because the total funding requested by applicants exceeded the available funding each year of our audit period, DATCP determined the amounts to award on a proportional basis. For example, if the available funding represented 75.0 percent of the requested funding in a given year, DATCP typically awarded a given applicant that proportion of requested funding. However, it slightly increased the awarded amounts for higher-scoring applications and slightly decreased the awarded amounts for lower-scoring applications. During our audit period, all applicants were awarded grants.

In 2019, total program grants were 52.7 percent of the total amount requested by the 57 applicants. All but 3 of the 57 applicants received at least 50.0 percent of the amounts they had requested. These three applicants each received more than 47.0 percent of the amounts they had requested.

***DATCP awarded a total of \$3.7 million in program grants from 2015 through 2019, which was 53.6 percent of the \$7.0 million that had been requested.***

As shown in Table 11, DATCP awarded a total of \$3.7 million in program grants from 2015 through 2019, which was 53.6 percent of the \$7.0 million that had been requested. In 2019, DATCP awarded grants to 57 recipients in amounts that ranged from \$800 to \$58,200 and averaged \$13,200.

Table 11

**Clean Sweep Program Grants, by Year**

	Amount Requested	Amount Awarded
2015	\$1,554,800	\$ 741,200
2016	1,217,100	750,000
2017	1,425,400	750,000
2018	1,358,800	750,000
2019	1,424,300	750,000
<b>Total</b>	<b>\$6,980,400</b>	<b>\$3,741,200</b>

As shown in Table 12, household hazardous waste accounted for almost all waste collected as a result of program grants from 2015 through 2018, the latest year for which this information was available at the time of our audit.

Table 12

**Amount of Waste Collected by the Clean Sweep Program**  
(in tons)

Waste	2015	2016	2017	2018
Household Hazardous Waste	1,068.5	1,074.8	1,083.1	1,099.7
Agricultural Pesticides	74.6	63.1	70.5	64.0
Unwanted Prescription Drugs	26.1	21.8	19.3	18.8
<b>Total</b>	<b>1,169.2</b>	<b>1,159.7</b>	<b>1,172.9</b>	<b>1,182.5</b>

DATCP oversaw the program in several ways, including by reviewing the final reports submitted by grant recipients. These final reports included information on the amounts of materials collected, outreach and public education activities conducted, and reimbursement requests. DATCP indicated that it reviewed these reports in order to ensure that recipients requested reimbursement for the costs of activities allowed by the program.

***DATCP did not require grant recipients to submit documentation to verify all expenditures for which they request reimbursement.***

We found that DATCP did not require grant recipients to submit documentation to verify all expenditures for which they request reimbursement. DATCP required recipients to submit documentation of the amounts paid to hauling firms to collect and transport household hazardous waste and other materials covered by the program. However, DATCP did not require recipients to submit documentation to verify the amounts paid for other activities, such as advertising, printing and postage, and supplies.

We reviewed \$425,400 in reimbursement requests submitted by 20 of the 49 grant recipients in 2018. This information indicated that DATCP appropriately reimbursed 18 of these 20 recipients. However, we found that DATCP reimbursed one recipient \$58,200, even though this recipient had not submitted documentation to allow DATCP to determine whether \$52,800 of these expenditures (90.7 percent) were reimbursable under the program. We also found that DATCP made a calculation error that resulted in it reimbursing a second recipient \$400 more than it should have reimbursed this recipient.

DATCP should require grant recipients to submit documentation to verify all expenditures for which they request reimbursement. Such documentation should contain information that allows DATCP to determine whether the expenditures are reimbursable under the program.

**Recommendation**

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*We recommend the Department of Agriculture, Trade and Consumer Protection:*

- *require recipients of Clean Sweep program grants to submit documentation to verify all expenditures for which they request reimbursement; and*
- *report to the Joint Legislative Audit Committee by April 1, 2021, on the status of its efforts to implement this recommendation.*

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## Opinions of Responsible Units ■

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***Most responsible units that responded to our survey indicated that they were satisfied with the recycling program-related assistance that DNR and DATCP provided them.***

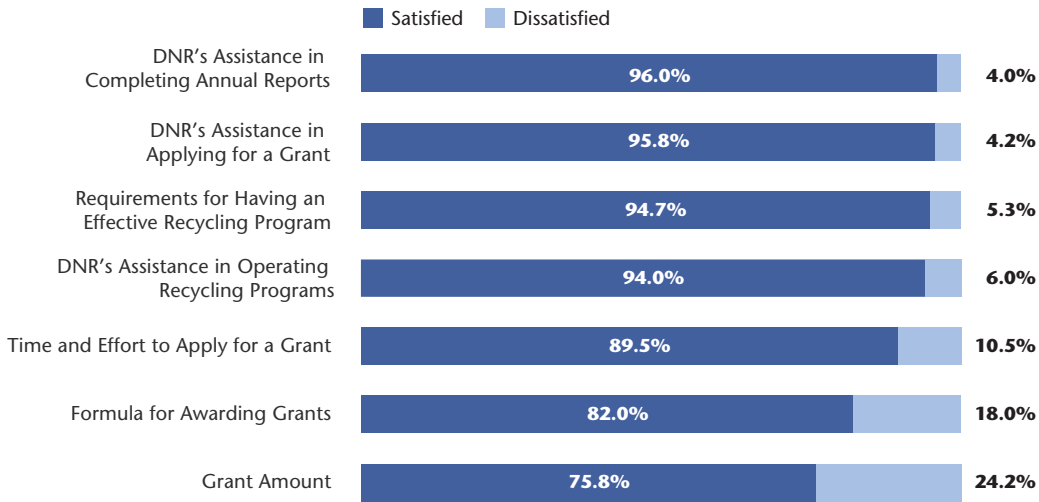
In January 2020, we surveyed all 1,077 responsible units in order to obtain their opinions about DNR's recycling grant programs and DATCP's Clean Sweep program. A total of 585 responsible units (54.3 percent) responded, although not all respondents answered each question. Respondents represented 66.8 percent of Wisconsin's population. Most respondents indicated that they were satisfied with the recycling program-related assistance that DNR and DATCP provided them.

### **Satisfaction with DNR and Recycling Grants**

Figure 3 indicates the satisfaction of responsible units with the recycling program-related assistance that DNR provided, including helping responsible units to complete the statutorily required annual reports and apply for grants. Almost one-quarter of respondents indicated that they were dissatisfied with their grant amounts.

Figure 3

**Satisfaction of Responsible Units with DNR’s Program-Related Assistance and Recycling Grants<sup>1</sup>**



<sup>1</sup> As indicated by 585 survey respondents.

DNR supported responsible units by, for example, providing training on topics such as understanding recycling responsibilities and ensuring compliance with them. In addition, its website included information on recycling topics, such as increasing recycling participation and working with neighboring responsible units.

We asked responsible units whether they would like DNR to provide additional types of support for their recycling programs. As shown in Table 13, the most-desired type of additional support was statewide recycling education.



Table 13

**Additional Recycling-Related Support That Responsible Units Would Like DNR to Provide<sup>1</sup>**  
 Number of Responsible Units

Type of Support	Number
Statewide Recycling Education	212
Guidance on Contracting with Hauling Firms of Recyclable Materials	142
More Training about Recycling Programs	122
Additional Types of Training	105
Guidance on Developing Websites	80

<sup>1</sup> As indicated by 585 survey respondents.

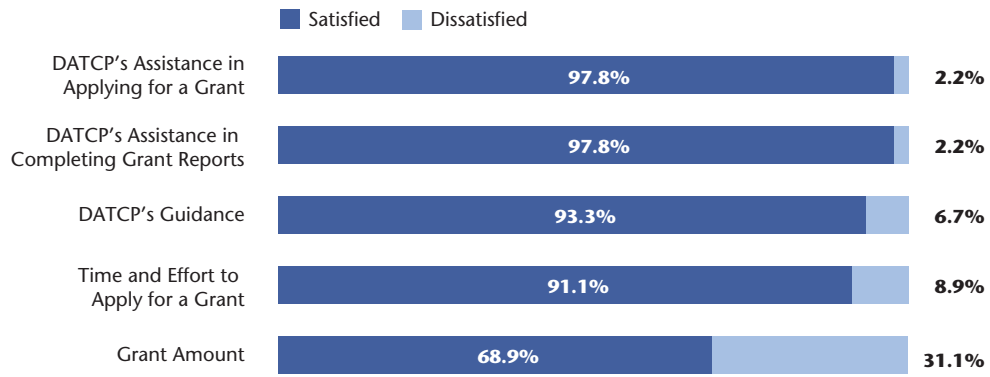
**Satisfaction with DATCP and  
 Clean Sweep Grants**

We asked responsible units that had received Clean Sweep grants their opinions about those grants and DATCP’s assistance in completing grant-related requirements. A total of 45 responsible units responded to these questions.

Figure 4 indicates the satisfaction of responsible units with the Clean Sweep program-related assistance that DATCP provided, including helping responsible units to apply for grants and complete grant reports. Almost one-third of respondents indicated that they were dissatisfied with their grant amounts.

Figure 4

**Satisfaction of Responsible Units with DATCP's Program-Related Assistance and Clean Sweep Grants<sup>1</sup>**



<sup>1</sup> As indicated by 45 survey respondents.



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## Responses ■

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November 11, 2020

Joe Chrisman, State Auditor  
Legislative Audit Bureau  
22 East Mifflin St., Suite 500  
Madison WI 53703

Subject: State Recycling Programs Audit

Dear Mr. Chrisman:

Thank you for the opportunity to respond to the Legislative Audit Bureau's evaluation of state recycling programs. The department appreciates the work performed by LAB and will implement the recommendations for improved processes, procedures and documentation practices. It is important to recognize that the review did not identify any instance of intentional fraud, waste or mismanagement, but rather identified opportunities to improve practices and protocols associated with its findings over the five-year period of the evaluation.

The audit report provides background and information on two DNR recycling grant programs and the E-Cycle program, along with information on recycling programs implemented by local government responsible units. In addition to the grant management and responsible unit evaluations noted in the report, the department's recycling and waste diversion program also assists with and reviews responsible unit consolidations and separations; responds to recycling complaints and questions; tracks national and global market trends; creates guidance and free publications; conducts public stakeholder meetings, mass email and social media outreach; staffs the governor-appointed Council on Recycling; and liaisons with state and national recycling organizations.

These efforts, along with the local recycling programs overseen by responsible units, affect the lives of all Wisconsin residents, visitors and businesses. Overall, the materials diverted from Wisconsin landfills equate to over a million tons per year. According to the Institute of Scrap Recycling Industries (ISRI), the economic impact of recycling in Wisconsin in 2019 was over \$4.5 billion dollars, including over 20,000 jobs, wages exceeding \$1.2 billion dollars and taxes in excess of \$470,000,000. The review of these three DNR-managed recycling programs by the Legislative Audit Bureau will help DNR continue to serve the people of Wisconsin by administering these important programs in a transparent and efficient manner.

Recommendations from the report specific to the department and our responses are noted below:

**LAB Recommendation 1: *Comply with statutes by spending all funds appropriated through s. 20.370 (4)(hq), Wis. Stats., on administering ch. 287, subchapter II, Wis. Stats.***

- DNR Response: All expenditures cited in the report as unallowable were used for recycling activities, primarily for the statutorily mandated beneficial use of industrial byproducts program that helps industry save significant disposal costs and keeps useful materials out of landfills. This successful program was created by statute in 1998 without a designated funding source. The department considers the expenditures to be consistent with state recycling policy and the waste hierarchy, as declared in subchapter I of ch. 287, Wis. Stats. The department will assess the feasibility of using a different funding

source for the beneficial use program, and will ensure that it is in full compliance with the statutory limitations on use of s. 20.470(4)(hq) appropriations.

**LAB Recommendation 2: *Consistently comply with statutes by annually reviewing the recycling programs of at least 5.0 percent of responsible units that were awarded recycling grants in the previous year.***

- DNR Response: As noted in the report, statutes do not prescribe how effective recycling programs must be reviewed. The change in the procedures for reviews was prompted several years ago by a shift in the agency leadership's perception of core work to focus on complaints, enforcement and plan review having a more immediate connection with protection of public health and the environment. The department conducts responsible unit reviews in multiple ways, including review of submitted grant applications, review of annual reports, group evaluations and individual evaluations. During recycling staffing decreases in 2016, the department piloted relying on the review of grant applications to meet the 5 percent obligation, but the department prefers, and has used, other methods since. Each year 100-200 annual reports are flagged and the department reviews each program. In addition to individual calls with responsible units, group evaluations have been conducted since at least 2011 and have grown to over 100 responsible unit participants each year since 2017. These group evaluations require attendees to be physically present and bring their program materials for discussion. Group evaluations are specifically designed to cover program requirements, invite questions from attendees, and motivate peer participation and networking. Using all these methods, the department has arguably reviewed at least 5 percent of responsible units every year. In any case, the department resumed more conventional reviews of programs in 2019 and exceeded the 5 percent target that year, reviewing 73 individual programs. The department acknowledges the concern of the Legislative Audit Bureau in this area, and will continue to conduct focused individual responsible unit program reviews on at least 5 percent of the state's responsible units receiving grant awards.

**LAB Recommendation 3: *Annually analyze the results of its reviews in order to provide guidance to all responsible units on addressing common concerns.***

- DNR Response: The department followed each of the 73 phone reviews in 2019 with a written summary of the call and recommendations for improvement sent to each responsible unit. The department acknowledges there is always room for improvement and will continue to provide guidance to all responsible units to ensure continued communication of common concerns and potential solutions. Statewide educational efforts remain a key channel for DNR's assistance to local recycling programs. Based on the survey responses in the report from responsible units, the department notes that the Legislature could consider deleting the prohibition on using the appropriation in s. 20.370 (4)(hq), Wis. Stats., on statewide recycling education.

**LAB Recommendation 4: *Establish written policies for reviewing the annual reports submitted by responsible units.***

- DNR Response: The department will improve its documentation of written procedures. The report cites one example of a responsible unit that incorrectly reported \$3.7 million in eligible expenditures in 2018. While department staff did not catch this typographical error at the time of their review, it had no repercussions for performance evaluation or calculation of grant awards. The department will ensure its reporting of total local eligible expenses for 2018 accurately reflects this correction.

**LAB Recommendation 5: *Document its reviews of the annual reports submitted by responsible units.***

- DNR Response: Annual reports received from responsible units have been reviewed and documented since the inception of the recycling program in order to determine whether responsible units are eligible for a grant award, whether they met the pounds per resident standard, and to compare year to year results to check accuracy. A dedicated reporting specialist was added in 2018 and efforts since have resulted in all responsible units submitting their reports before the deadline and therefore meeting the eligibility

requirement for a grant award. The department will re-examine its documentation procedures to more clearly demonstrate that the annual report reviews are thoroughly documented.

**LAB Recommendation 6: *Update provisions in its administrative rules pertaining to effective recycling programs.***

- DNR Response: The department agrees that NR 544 should be updated and intends to initiate rulemaking in the next 12-18 months either as a focused effort or as part of a broader revision of the NR 500 series.

**General LAB Recommendation: *Report to the Joint Legislative Audit Committee by April 1, 2021, on its efforts to implement these recommendations.***

- DNR Response: The department looks forward to providing this information to the Committee by the date specified.

In addition to the above, the department appreciates the inclusion in the report of a Legislative Consideration to modify the method for awarding recycling grants to responsible units.

In closing, the department will work carefully toward achieving the improvements identified in the Legislative Audit Bureau report, and, indeed, would welcome the opportunity to work with the Legislature on other improvements to the state recycling program, including ideas to consolidate the number of responsible units, reinstate a recycling market development program, and expand recycling outreach and education.

Thank you again for providing the opportunity to review the LAB report on state recycling programs.

Sincerely,

DocuSigned by:  
  
C80ACE6350C54D7...

Preston D. Cole,  
Secretary  
Department of Natural Resources







State of Wisconsin  
Governor Tony Evers

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**Department of Agriculture, Trade and Consumer Protection**  
Secretary-designee Randy Romanski

November 11, 2020

Mr. Joe Chrisman, State Auditor  
Legislative Audit Bureau  
22 East Mifflin Street  
Madison, WI 53703

Dear Mr. Chrisman:

The Department of Agriculture, Trade and Consumer Protection (DATCP) appreciated the opportunity to communicate with the Legislative Audit Bureau recently about the Clean Sweep program, and we welcome the feedback about the program.

DATCP believes the program is operated efficiently, and we value the outreach our agency does with our external partners to assist with properly disposing of unwanted prescription drugs, household hazardous waste, and agricultural pesticides. The Clean Sweep program is an important funding tool for counties and local governments to provide this essential service to the citizens of Wisconsin.

We appreciate the positive response we received through the survey regarding the assistance DATCP provides through the Clean Sweep program, and we believe that this audit report is a way to continue to improve the services we provide. We are not surprised that respondents were less satisfied with the amounts of their grants, as we have consistently received grant requests that are significantly greater than the amount available for funding.

Based on the findings in the LAB report, we have corrected the calculation that led to the reimbursement discrepancy. We are also establishing an expenditure verification system as suggested in the LAB recommendations to ensure that grant recipients have submitted adequate documentation to verify all expenditures for which reimbursement was requested.

Thank you for the thorough work you and your team did on this audit and for your feedback on the Clean Sweep program.

Sincerely,

Randy Romanski  
Secretary-designee

*Wisconsin - America's Dairyland*

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