

Responsible Unit Grant History & Formula

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RU Grant History

- RU grant created by 1989 Act 335
- RUs with DNR approved 'effective recycling programs' are eligible
- For costs associated with planning, constructing or operating one or more of the components of an effective recycling program or yard waste program
- RUs 'on-time' submittal of grant application by 10/1 of preceding year
 - In Sept. of 2021, RUs apply for 2022 grant
 - In April of 2023, RUs will submit annual report with actual 2022 expenses (to justify the grant)
- Submittals between 10/2-10/30 get between 95%-75% of their eligible grant

Table 2: Municipal and County Recycling Grants: Eligible Cost, Grant Award and Award as Percentage of Costs (\$ in Millions)

Calendar Year	Net Eligible Recycling Costs	Award* Amount	Grant Award as % of Net Eligible Costs
1992	\$35.6	\$18.5	52.0%
1993	48.5	23.7	48.9
1994	56.5	29.8	52.7
1995	61.0	29.1	47.7
1996	66.3	29.2	44.0
1997	68.8	29.2	42.4
1998	71.4	23.9	33.5
1999	73.3	24.1	32.9
2000	76.6	24.3	31.7
2001	84.1	24.3	28.9
2002	82.6	24.3	29.4
2003	84.4	26.3	31.2
2004	85.7	26.4	30.8
2005	90.1	26.3	29.2
2006	94.0	26.3	28.0
2007	98.4	26.3	26.7
2008	99.1	32.7	33.0
2009	108.0	29.3	27.2
2010	104.0	29.3	28.2
2011	103.5	19.0	18.3
2012	105.9	20.0	18.9
2013	109.3	20.0	18.3
2014	112.2	20.0	17.8
2015	116.7	20.0	17.1
2016	116.5	19.0	16.3
2017	119.3	20.0	16.8
2018	122.0	20.0	16.4
2019	131.9	20.0	15.2
2020**	138.9	20.0	14.4

*In the 2003 through 2011 grant years, includes basic grant plus efficiency incentive grant. As of 2012, includes basic grant plus consolidation grant.

**Estimated net eligible recycling costs.

Grant Award History

- % of eligible costs covered by the grant has decreased over time
- At its highest level (2008), the grant distribution amount was \$32.7M
- Presently \$19M ‘basic grant’ and \$1M ‘consolidation grant’ awarded
- Presently 14% of net eligible costs covered by grant

Source: Legislative Fiscal Bureau’s Informational Paper #66 “Recycling Financial Assistance Programs”
https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2021/0066_recycling_financial_assistance_programs_informational_paper_66.pdf

RU Grant Award Distribution

Table 3: 2020 Municipal and County Recycling Grants to Responsible Units (RUs) by Governmental Unit Type

Type	Number of RUs	Population	Net Eligible Recycling Costs	Combined Basic Plus Consolidation Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
Town	601	895,564	\$18,441,602	\$2,160,391	\$2.41	11.7%
Village	253	793,714	22,764,758	2,315,701	2.92	10.2
City	131	2,614,039	68,523,946	9,556,649	3.66	13.9
County	34	1,471,681	27,734,933	5,712,695	3.88	20.6
Tribe	9	20,675	920,329	148,058	7.16	16.1
Other	10	36,324	527,122	106,502	2.93	20.2
Grand Total	1,038	5,831,997	\$138,912,690	\$19,999,996	\$3.43	14.4%

Source: Legislative Fiscal Bureau’s Informational Paper #66 “Recycling Financial Assistance Programs”
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RU Grant Award Distribution (cont.)

Table 4: 2020 Municipal and County Recycling Grants to Responsible Units (RUs) by Population Size

Population	Number of RUs	Population	Net Eligible Recycling Costs	Combined Basic Plus Consolidation Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
Less than 2,500	743	758,632	\$18,772,714	\$2,269,659	\$2.99	12.1%
2,500 to 4,999	121	423,238	10,032,428	1,294,837	3.06	12.9
5,000 to 9,999	69	491,580	11,938,578	1,596,320	3.25	13.4
10,000 to 24,999	63	972,994	24,405,761	3,532,344	3.63	14.5
25,000 to 49,999	27	980,755	19,534,866	3,439,762	3.51	17.6
50,000 to 99,999	9	622,279	12,835,565	2,211,438	3.55	17.2
100,000 and Over	6	1,582,519	41,392,778	5,655,637	3.57	13.7
Grand Total	1,038	5,831,997	\$138,912,690	\$19,999,996	\$3.43	14.4%

Source: Legislative Fiscal Bureau's Informational Paper #66 "Recycling Financial Assistance Programs"
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RU Grant Award Distribution (cont.)

Table 5: 2020 Municipal and County Recycling Grants to Responsible Units (RUs) by Amount of Award

Award Amount	Number of RUs	Population	Net Eligible Recycling Costs	Combined Basic Plus Consolidation Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
\$1 to \$4,999	639	620,875	\$12,153,079	\$1,274,124	\$2.05	10.5%
\$5,000 to 9,999	170	423,635	10,477,848	1,237,532	2.92	11.8
\$10,000 to \$24,999	110	629,811	16,935,126	1,739,373	2.76	10.3
\$25,000 to 49,999	38	417,877	10,505,842	1,314,393	3.15	12.5
\$50,000 to 99,999	45	776,442	17,395,814	3,392,492	4.37	19.5
\$100,000 to 499,999	32	1,591,733	36,298,297	6,306,365	3.96	17.4
\$500,000 and Over	4	1,371,624	35,146,684	4,735,717	3.45	13.5
Grand Total	1,038	5,831,997	\$138,912,690	\$19,999,996	\$3.43	14.4%

Source: Legislative Fiscal Bureau's Informational Paper #66 "Recycling Financial Assistance Programs"
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RU Grant Award Distribution (cont.)

Table 6: 2020 Municipal and County Recycling Grants to Responsible Units (RUs) by Award Per Capita

Award Per Capita	Number of RUs	Population	Net Eligible Recycling Costs	Combined Basic Plus Consolidation Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
\$0.01 to Not More Than \$1.00	103	188,945	\$2,087,621	\$129,467	\$0.69	6.2%
\$1.00 to Not More Than \$2.00	229	606,824	11,723,392	923,810	1.52	7.9
\$2.00 to Not More Than \$3.00	233	1,076,688	23,422,284	2,739,165	2.54	11.7
\$3.00 to Not More Than \$4.00	255	2,798,101	68,055,292	9,918,760	3.54	14.6
\$4.00 to Not More Than \$6.00	137	876,814	24,308,728	4,010,808	4.57	16.5
\$6.00 to Not More Than \$8.00	61	202,586	6,184,673	1,390,273	6.86	22.5
\$8.00 to Not More Than \$10.00	9	60,350	1,894,271	512,003	8.48	27.0
\$10.00 and Over	<u>11</u>	<u>21,689</u>	<u>1,236,429</u>	<u>375,711</u>	17.32	30.4
Grand Total	1,038	5,831,997	\$138,912,690	\$19,999,996	\$3.43	14.4%

Source: Legislative Fiscal Bureau's Informational Paper #66 "Recycling Financial Assistance Programs"
https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2021/0066_recycling_financial_assistance_programs_informational_paper_66.pdf

RU Grant Award Distribution (cont.)

Table 7: 2020 Municipal and County Recycling Grants to Responsible Units (RUs) by Award as a Percentage of Net Eligible Recycling Costs

Award as % of Net Eligible Recycling Costs	Number of RUs	Population	Net Eligible Recycling Costs	Combined Basic Plus Consolidation Grant Award	Average Per Capita Grant Award	Average Award as a % of Net Eligible Recycling Costs
0.01% to Not More Than 10.00%	347	1,443,380	\$50,370,817	\$3,843,163	\$2.66	7.6%
10.00% to Not More Than 20.00%	411	2,953,088	69,099,355	10,104,489	3.42	14.6
20.00% to Not More Than 30.00%	148	711,960	11,435,783	2,637,287	3.70	23.1
30.00% to Not More Than 40.00%	59	428,450	5,133,691	1,768,095	4.13	34.4
40.00% to Not More Than 50.00%	37	114,687	1,371,593	621,486	5.42	45.3
50.00% to Not More Than 60.00%	11	69,170	644,575	337,762	4.88	52.4
60.00% to 100%	<u>25</u>	<u>111,262</u>	<u>856,876</u>	<u>687,714</u>	6.18	80.3
Grand Total	1,038	5,831,997	\$138,912,690	\$19,999,996	\$3.43	14.4%

Source: Legislative Fiscal Bureau's Informational Paper #66 "Recycling Financial Assistance Programs"
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RU Grant Award Distribution (cont.)

Table 8: 2020 Municipal and County Recycling Grants to Responsible Units (RUs) - Largest 71 Grant Awards Includes All Awards of \$60,000 or Greater

Municipality/County	Population	Net Eligible Recycling Costs	Combined Basic Plus Consolidation Grant Award	Per Capita Grant Award	Award as a % of Net Eligible Recycling Costs
Milwaukee, City of	590,547	\$12,831,950	\$2,311,455	\$3.91	18.0%
Waukesha, County of	319,641	9,275,051	1,050,298	3.29	11.3
Madison, City of	255,650	8,877,273	804,705	3.15	9.1
Outagamie, County of	205,786	4,162,410	569,258	2.77	13.7
Eau Claire, County of	105,202	1,311,600	486,743	4.63	37.1
Green Bay, City of	105,693	4,934,494	433,177	4.10	8.8
Kenosha, City of	99,841	2,168,727	387,587	3.88	17.9
Racine, City of	77,447	3,233,007	314,445	4.06	9.7
West Allis, City of	59,780	1,368,900	253,171	4.24	18.5
Oshkosh, City of	67,201	1,107,134	237,038	3.53	21.4
Janesville, City of	63,433	1,439,227	225,604	3.56	15.7
Chippewa, County of	59,896	719,120	218,085	3.64	30.3
Manitowoc, City of	33,772	410,100	216,052	6.40	52.7
Neenah, City of	26,436	1,248,060	202,087	7.64	16.2
Pierce, County of	43,210	814,676	201,273	4.66	24.7
Portage, County of	63,172	1,291,763	197,897	3.13	15.3
Saint Croix, County of	79,312	528,650	196,902	2.48	37.2
Sheboygan, City of	48,697	1,822,540	192,960	3.96	10.6
Wauwatosa, City of	48,314	784,212	185,835	3.85	23.7
La Crosse, City of	52,197	979,037	180,708	3.46	18.5

RU Grant Formula Today

- Beginning in the 2001, RUs receive a grant equal to the same percentage of the total grant funding as the responsible unit received, or would have received, in 1999
- Ex: if a RU received 1.5% of the grant 'pie' in 1999, they receive 1.5%
- This means the current distribution does not account for program changes since 1999 (i.e. transition to automated collection or carts, discontinuing yard waste collection, etc.) & associated increased or decreased expenses
- Reason grant is 'frozen' in 1999 is 1999 Wisconsin Act 9 was enacted to change grant distribution to per capita; however, as a result of Governor's line-item veto, the formula was changed to a proportional distribution based on 1999 awards.
- If a RU didn't exist in 1999 (i.e. new RU formed by consolidation, town incorporating into a village, etc.), eligible expenses are depreciated to 1999 values

RU Grant Formula in 1999

- Complex formula based on eligible expenses, "avoided disposal costs," and other factors
- Avoided disposal costs are those costs (landfill tipping fees) that are not incurred by the RU because material was recycled rather than disposed of by landfilling
- \$30 is used as the statewide average landfill tip fee for 1999
- 1999 grant formula
 - 1st for all RUs calculate:
 - 66% of eligible expenses minus avoided disposal costs, and
 - \$8 per capita, and
 - determine which of the two amounts was less
 - 2nd compare this amount with 33% of eligible expenses
 - RU receives the greater of the two amounts determined
 - BUT counties that are responsible units for at least 75% of the county's population get a minimum annual grant of \$100,000 OR the lesser of step 1; however, if the total grant allocation cannot cover \$8 per capita for those RUs, use \$6 per capita (or $66\% \times [\text{eligible expenses} - \text{avoided disposal costs}]$)
 - Finally, prorate all grant awards by an equal percentage to meet available funding

Unpredictable Results

- Due to complexity of the grant distribution, impossible to predict grant consequences of RU mergers, divorces or the addition/subtraction of a member
- Due to present grants being 'frozen' to same percentage of grant distribution in 1999, when there are changes (listed above) or new RUs (town incorporating to a village), results can be unpredictable/illogical
- Examples:
 - Town incorporates to a Village
 - Village of R incorporated from Town of R
 - As Village of R did not exist in 1999 it is treated as new RU
 - As town, awarded \$2,059 last year
 - Town had estimated 1999 expenses of \$14,105
 - Village 2021 estimated expenses of \$2,400, depreciated to 1999 dollars to \$1,356
 - Village grant award amount \$397.04
 - Town and Village Merge
 - Town of S and Village of S are individual RUs
 - Town receives grant of \$19,145 & Village receives grant of \$29,715
 - Town & Village merge to new multi-member RU and receive total grant of \$29,872

CONNECT WITH US

Questions?

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