

MATERIALS MANAGEMENT ADVISORY COMMITTEE

Meeting Notice:

Who: Market Development Subcommittee
Materials Management Advisory Committee
Open to the Public

When: Tuesday, March 9, 2021 2:00 pm – 3:30 pm

Due to the COVID-19 pandemic, this meeting will be held remotely. Members of the public are welcome to attend by using any of the connection options listed below.

Attendance via WebEx is preferred to enable participants to view the presentation, raise their hands, or vote by chat.

Meeting number (access code): 133 078 7108

Meeting password: NKbA9mC639y

Tuesday, March 9, 2021

2:00 pm

Other ways to join:

- **Join from a video system or application**
Dial [284128695@illinois.webex.com](tel:284128695)
You can also dial 173.243.2.68 and enter your meeting number
- **Join using Microsoft Lync or Microsoft Skype for Business**
- Dial [286820866.illinois@lync.webex.com](tel:286820866)
- Need help? Go to <http://help.webex.com>
- **Join by Phone** (loses some content and functionality)
[+1-312-535-8110](tel:+13125358110) United States Toll (Chicago)
[+1-415-655-0002](tel:+14156550002) US Toll
[Global call-in numbers](#)



Statewide Materials Management Advisory Committee

**Market Development Subcommittee Meeting Agenda
March 9, 2021, 2:00 pm – 3:30 pm
Illinois Environmental Protection Agency
By Teleconference: (312) 535-8110
Access Code: 133 078 7108**

1. Introductions (5 minutes)
2. Findings and Recommendations to the Committee (85 minutes)
3. Adjournment

Market Development Subcommittee Findings and Recommendations

Market Development Subcommittee Findings

- 1. A coordinated statewide market development grant program is a critical component of a successful long-term materials management strategy.** The markets for recycled feedstock and compostable materials are one of the primary drivers of landfill diversion in Illinois and nationally. Recyclables are commodities. Recognizing that, it is important to have measures in place to create a valuable feedstock to manufacture new products and goods with a reduced environmental impact. Likewise, organics are commodities that have significant landfill diversion potential, provided a strong market for compost exists. Low prices of virgin materials have the potential to impair efforts to expand landfill diversion of recyclables and organics without offering similar environmental benefits to successful materials management strategies. To counter this reality, most states have financed market development opportunities within their jurisdictions. These programs are designed to support innovative endeavors that exhibit the potential to stabilize and grow the markets for recycled materials and compost. Since 2013, Illinois has not been among that population of states.
- 2. In recent years, state landfill tipping fee revenues have been sufficient to support a state-administered market development grant program, but future revenues are uncertain.** Historically, the Solid Waste Management Fund has been the primary mechanism used to support the State of Illinois's recycling and composting grant programs. Between State Fiscal Years 2016 and 2020, the Solid Waste Management generated approximately \$20 million annually in revenue. Appropriations from the Solid Waste Management Fund exceeded \$15 million only once during that time. The Solid Waste Management Fund is projected to have a surplus of approximately \$7 million at the end of State Fiscal Year 2021. Accordingly, sufficient funds appear to be available to support a market development grant program without impairing existing State operations supported by the Solid Waste Management Fund or increasing tipping fees. However, it is not clear whether those revenues are sustainable long term. The success of recycling and composting market development initiatives will likely decrease the volume of landfilled materials, which would result in lower state tipping fee revenues. In addition, the COVID-19 pandemic has resulted in budget shortfalls, which may result in some or all of the excess balance in the Solid Waste Management Fund to be swept to partially offset deficits in the General Revenue Fund.
- 3. Some private entities have self-imposed ambitious recycled content targets and achieving these goals are an important element of landfill diversion.** In recent years, numerous private entities have incorporated recycled content initiatives into their corporate credo. These efforts include targets for minimum recycled content levels for a variety of products. If successful, these initiatives could markedly increase the demand for recycled materials and start to shift the economic calculus of materials management. To date, many of these initiatives have been implemented. However, based on publicly available data, it appears additional work may be necessary for some of these initiatives to achieve their goals. Numerous organizations track the performance of these initiatives, including some public entities. To that end, there is value in the State of Illinois monitoring the status of these programs and engaging stakeholders within the state that have such initiatives when rendering policy decisions regarding minimum recycled content.

Market Development Subcommittee Recommendations

- 1. Establishment of materials management market development advisory board**

The General Assembly should establish by law a materials management market development advisory board (advisory board) at the University of Illinois. The advisory board should be tasked with reviewing applications for financial support from entities that are developing new, or enhancing existing,

opportunities to recover material that would otherwise become waste and return it to the economic mainstream and identifying projects that, with the requested funding, demonstrate a high likelihood of successfully diverting material from landfills. The advisory board should be comprised of two members of the Illinois General Assembly, of different parties, and the following individuals appointed by the Governor or his or her designee:

- one representative of the University;
- one representative of the Illinois Environmental Protection Agency;
- one representative of the waste industry,
- one representative of the recycling industry;
- one representative of residential recycling programs in Illinois;
- one representative of the composting industry;
- one representative of the construction and demolition debris recycling industry;
- one representative of the environmental community;
- one representative of local government;
- one representative of manufacturers located in Illinois;
- one representative of retailers located in Illinois;
- one representative of manufacturers that use recycled materials in their production process; and
- any additional experts necessary to adequately evaluate submitted applications.

The advisory board should seek input from other relevant experts, as needed, to evaluate the potential for individual applications to result in the expansion of markets to divert materials from Illinois landfills. Projects the advisory board selects should be subject to an applicant financial match of at least fifty percent of the project's total cost. The advisory board should identify and endeavor to secure funding for awards issued from private sources or partnerships to the greatest extent possible. To the extent private funding is not available, the grants approved by the advisory board should be supported by an appropriation of at least \$1 million annually from the Solid Waste Management Fund. This appropriation should be in addition to all other appropriations from the Solid Waste Management Fund that support other state programs. In 2026, or five years after the implementation of the award program, whichever is later, the University and the Illinois EPA should evaluate whether another funding source is necessary to sustain the award program.

2. Identify and Support Entities that Encourage Material Reuse Industrial Materials Exchanges

a) Reuse Asset Map

The General Assembly should appropriate sufficient funding to allow the Illinois EPA to develop and support a website and map that identifies entities within Illinois that accept and reuse or repurpose difficult to divert materials. The map should include the identified entities' contact information and a disclaimer that individuals and businesses should contact the site before bringing any materials to the site. Mapped entities should include food pantries, manufacturers that utilize recyclable products in their production, and reuse stores operated by units of local government or not-for-profit organizations. The website should include an option that allows public or private organizations to request placement on the roster of sites, subject to the Illinois EPA's discretion. The website should be updated, at least annually, using readily available public information and direct outreach to entities identified on the website at the time of the update.

b) Exploring Private Partnerships

The State of Illinois should promote existing industrial materials exchange services that connect entities within Illinois that generate usable materials to other entities that use those materials to mitigate landfilling

of salvageable items. These promoted services should include privately and publicly funded platforms that enable materials generators to list the type, volume, quality, and location of available items and communicate directly with individuals and organizations that seek those items. The State of Illinois should evaluate the effectiveness of the promoted industrial materials exchange services to determine if establishing an independent service would be beneficial. If the State of Illinois determines it is necessary to develop an independent service, the State of Illinois should consider examining partnerships with private entities to establish an materials exchange service that addresses any voids in the existing state network. To the greatest extent possible, this service should be hosted and maintained by non-governmental entities.

3. Government procurement tracking enhancements

The General Assembly should amend the Illinois Procurement Code to require state agencies to track purchases of materials that are subject to minimum recycled content requirements and exceptions made from those purchasing requirements. Central Management Services should annually compile and publish the volume and type of products subject to minimum recycled content requirements purchased, the total expenditures for these purchases, and an itemized list of exceptions to the purchasing requirements on the Procurement Policy Board website. On January 1, 2026, or four years after amendments to the Procurement Code take effect, whichever is earlier, Central Management Services and the Illinois EPA should convene a committee of representatives of state agencies subject to the amended tracking provisions to evaluate recycled content product purchasing habits and make recommendations to the General Assembly of any needed improvements to maximize the ratio of state government purchases of products made from recycled items.