
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1180 (Allen) - Plastic Pollution Prevention and Packaging Producer Responsibility Act: California Plastic Pollution Mitigation Fund

Version: April 21, 2026

Urgency: No

Hearing Date: May 4, 2026

Policy Vote: E.Q. 5 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would add further guidance to state agencies in allocating money from the California Plastic Pollution Mitigation Fund (PPMF) and expand the list of entities that are eligible for those funds.

Fiscal Impact:

- Unknown, likely significant ongoing costs (PPMF) to the Strategic Growth Council (SGC), California Environmental Protection Agency, the Natural Resources Agency, the Department of Justice, and other state entities required to expend PPMF monies to implement the requirements of this bill.
- Unknown, potentially significant ongoing cost pressures (PPMF) due to expanded eligibility for entities able to receive PPMF funds as a result of this bill.

Background: In 2022, the Legislature passed SB 54 (Allen, Chapter 75, Statutes of 2022). SB 54 uses an EPR approach to reach ambitious targets to reduce single-use serviceware and packaging through source reduction and postconsumer recycled content. These goals include:

- a) Requiring all covered material sold in the state to be recyclable or compostable by January 1, 2032;
- b) Requiring that all plastic-covered material sold in the state meet a recycling rate of 65% by Jan 1, 2032, with interim goals beginning in 2028; and
- c) Prohibiting producers of expanded polystyrene (EPS) from selling EPS food serviceware unless they meet a 65% recycling rate by January 1, 2032.

SB 54 also requires the PRO to pay \$500 million per year from January 1, 2027, through January 1, 2037 to fund the program, and authorizes the PRO to collect up to \$150 million from plastic manufacturers.

The PPMF. SB 54 establishes the PPMF and provides some structure for how the Legislature will appropriate funding. In broad strokes, the money is awarded by state agencies to grant projects that (1) reduce environmental impacts of plastics pollution, and (2) reduce the public health impacts of plastics and disadvantaged communities. The funding will be allocated into two main buckets:

- a) 40% of the money in the PPMF will be allocated by agencies that oversee natural resources in order to reduce environmental impacts of plastic on the environment. Agencies include the Department of Fish and Wildlife, the Wildlife Conservation Board, the State Coastal Conservancy, the California

Coastal Commission, the Ocean Protection Council, the Department of Parks and Recreation, the Natural Resources Agency, and the California Environmental Protection Agency. 50% of the money shall provide benefits to residents living in a disadvantaged or low-income community or rural area.

- b) 60% of the money in the PPMF will be spent to reduce the public health impacts of plastics and mitigate the disproportional impacts of plastics on low-income communities or rural areas. This money will be awarded by the Strategic Growth Council, the California Environmental Protection Agency, the Natural Resources Agency, and the Department of Justice. 75% of this money will directly and primarily benefit residents living in disadvantaged or low-income communities.

Eligible grant awardees include tribes, nongovernmental organizations, community-based organizations, local jurisdictions, and, in the case of grants for natural resource protections, land trusts.

Proposed Law: This bill would:

1. Add further guidance for all state agencies allocating the PPMF, specifying that grant expenditures shall do all of the following:
 - a. Improve public or environmental health
 - b. Incorporate efforts to inform the public of the investment and to improve understanding of the health impacts of the life cycle of plastics.
 - c. Prioritize programs and projects that do all of the following:
 - i. Benefit communities most burdened by the impacts of plastic pollution.
 - ii. Are aligned with or implement community-driven solutions.
 - iii. Provide multiple benefits.
 - iv. Demonstrate engagement with communities and tribes in planning, development, and implementation.
 - d. Each expenditure from the California Plastic Pollution Mitigation Fund, upon appropriation by the Legislature, as provided, shall achieve one or more of the following:
 - i. Catalyze mitigation of the adverse health impacts of plastics.
 - ii. Create or accelerate a transformative shift away from plastic production, use, and disposal.
 - iii. Durably reduce plastic in the environment.

- iv. Restore lands and waterways impacted by plastic pollution and protect natural and waterways lands from future pollution.
 - v. Support research, data collection, and monitoring activities, as specified.
2. Require that agencies implementing a grant program funded (even in part) by the PPMF do all of the following:
 - a. Provide technical assistance to grant applicants;
 - b. Use a standard simple application across agencies;
 - c. Consider creating grant categories;
 - d. Provide advanced payments for grants; and
 - e. Reimburse the grantee's and any subgrantee's indirect costs using one of the following rates as requested by the grantee and any subgrantee:
 - i. The indirect cost rate of the grantee is pursuant to its negotiated indirect cost rate agreement;
 - ii. The *de minimis* indirect cost rate specified in Part 200 of Title 2 of the Code of Federal Regulations;
 - iii. A rate negotiated by the grantee or subgrantee with another state agency or department within the last five years; or
 - iv. A rate proposed by the grantee in the grantee's program application with the administering state agency or department if the grantee does not have an existing state rate.
3. Specify that the PPMF shall not be used for any obligations of a PRO or to fulfill any environmental mitigation requirements or compliance obligations imposed by any other laws.
4. Expand the list of entities that are eligible for pollution mitigation fund grants to include:
 - i. Public agencies;
 - ii. Nonprofit organizations;
 - iii. Special districts;
 - iv. Joint powers authorities;
 - v. Public utilities;
 - vi. Local publicly owned utilities; and
 - vii. Mutual water companies.
5. Task the Secretary for Environmental Protection with publishing information on the grant program at least annually, including information such as the money received for each program or project, its footprint, its goals and status, its

outreach efforts, the public benefits derived, and evidence of measurable reductions in plastic pollution accomplished by the program or project, among other criteria.

6. Make other changes.

Related Legislation:

SB 54 (Allen Chapter 75, Statutes of 2022) establishes the Plastic Pollution Prevention and Packaging Producer Responsibility Act, which imposes minimum content and source reduction requirements for plastic single-use packaging and food service ware through an EPR program.

-- END --