



# Finance Study

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Workgroup: Organics Management to Reduce Methane and Combat Climate Change

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# Finance Study

- **Review and update current funding types, levels and rates of adoption**
- **Evaluate funding needed to implement WACSWM core services model**
- **Evaluate alternative funding models used in other states or countries**
- **Evaluate funding impacts of state policies considered or enacted in the past four years (2019-2022) (23 total)**
- **Make recommendations on funding to help meet WACSWM core services model and prepare for recent policy changes**



# Current Funding Sources: Survey

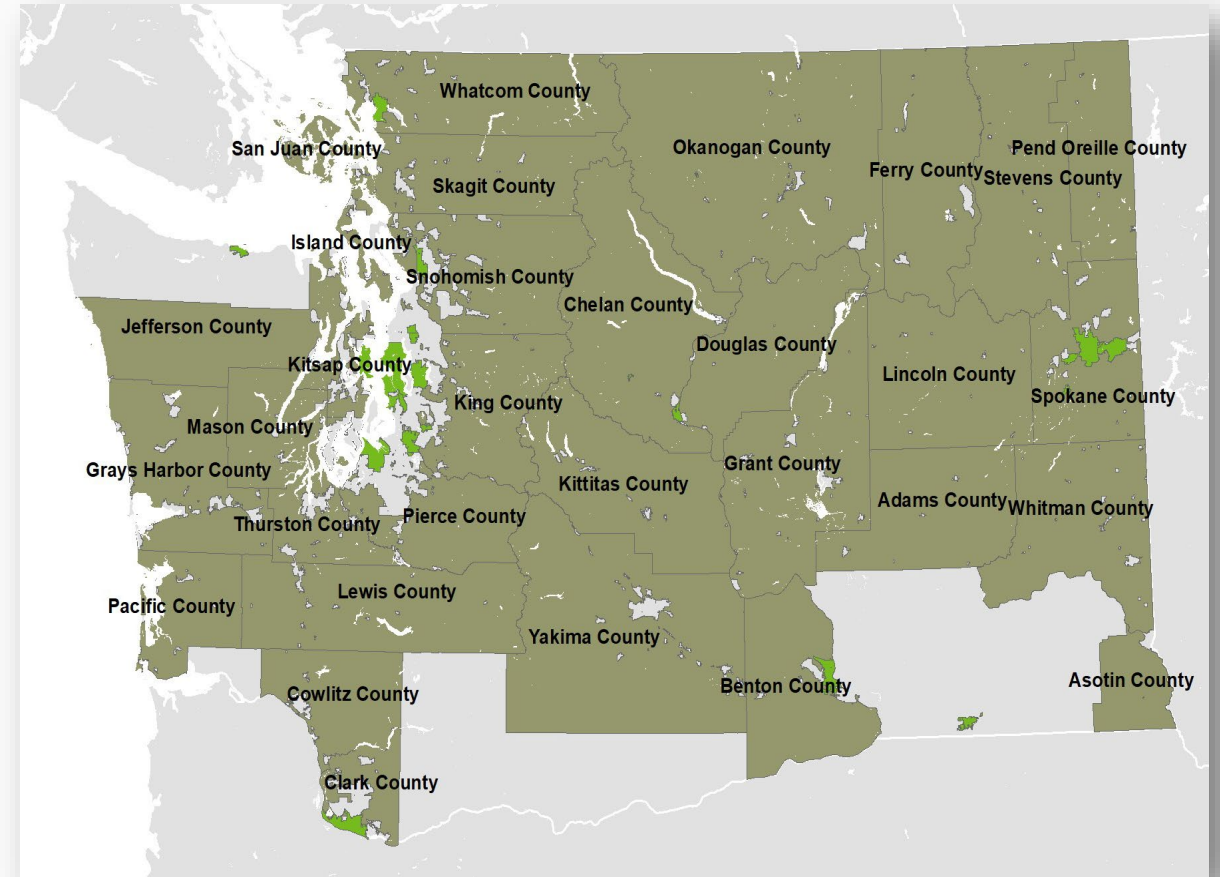


## Most common local government funding sources:

- Collection, tipping, or user fees or utility / enterprise funds fed by tip fees
- State grants (LSWFA, WRRED, CLCP)

## WACSWM core services model assessment:

- average of 90% revenue from tipping fees.



# Finance Study Survey:

## Needs Met

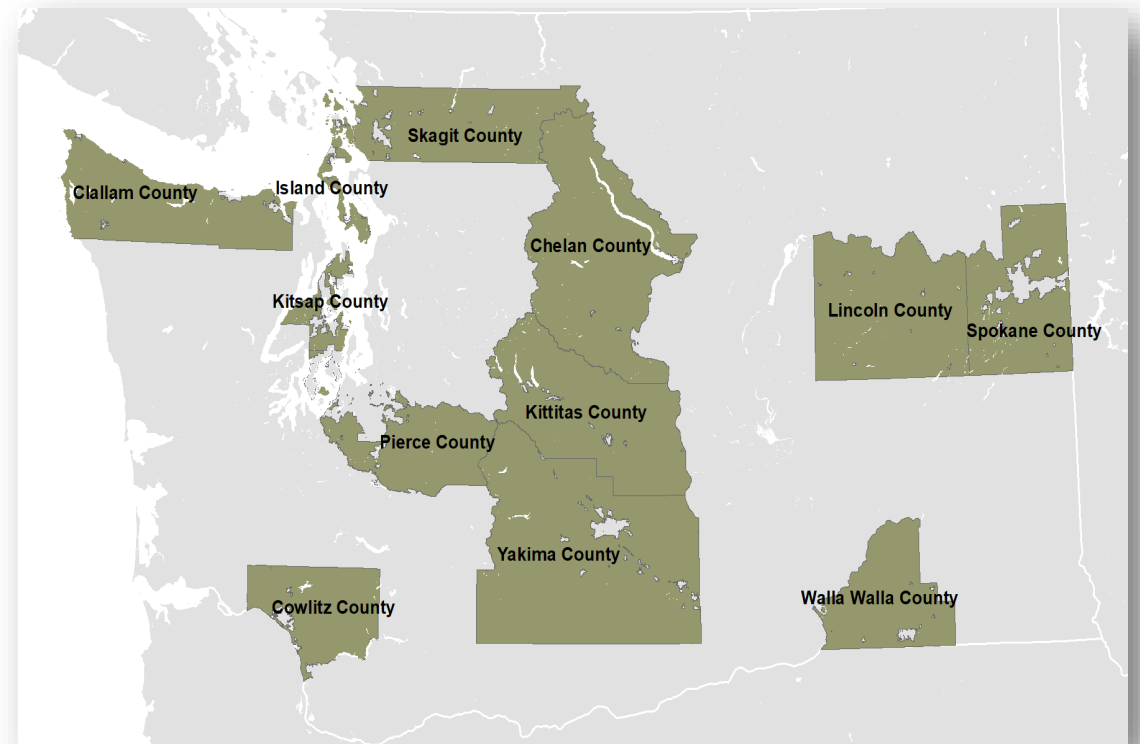


Percent of need met	100-80%	60-40%	20%	NA / Don't know
Administration	63%	11%	7%	19%
Planning	59%	15%	7%	19%
Permitting/ Enforcement	57%	14%	7%	21%
Recycling	45%	39%	6%	10%
Household Hazardous Waste	45%	45%	10%	0%
Moderate Risk Waste (SQG)	37%	33%	15%	15%
Litter/ Illegal Dumping	31%	38%	17%	14%
Emergency/Disaster	30%	26%	7%	37%
Education / Outreach	29%	46%	18%	7%
<b>Composting</b>	17%	28%	21%	34%
Contamination Reduction	11%	57%	14%	18%
Waste Prevention	11%	54%	18%	18%
C&D Recovery	7%	18%	25%	50%

# WACSWM Core Services Model



1. Waste Collection
  - curbside, self-haul, commercial containers
2. Recycling
  - **yard debris composting**; scrap metal
3. Household Hazardous Waste
  - SQG; fixed sites and events
4. Waste Disposal
5. Emergency Response
6. Administration
7. Enforcement
8. Education & Outreach
9. Risk Management/Safety



*Food waste composting is not listed as a core service in this model.*

# Findings 1: WACSWM Core Services Model



- **Collection: 12 assessed counties**
  - 916,000 households have access to recycling collection (86%)
  - **853,000 households have access yard debris collection (80%)**
  - For full access, expand:
    - recycling collection by 38,000 (90%)
    - **yard debris collection by 59,000 (86%)**
- **Self-Haul Facilities: 12 assessed counties**
  - ~Half of assessed counties may need more self-haul facilities to meet core service recommendations for waste, recycling, or **yard debris services**
  - Capital improvements needed to maintain existing self-haul facilities and to build more facilities to **meet future demand for services.**

# Findings 2:

## WACSWM Core Services Model



**Funding needs to implement core service model - 10-year funding estimate:**

- **12 assessed counties:**
  - **\$412 million to \$470 million**
  - Equivalent to raising waste tipping fee \$19 to \$22/ton
  - Funding needs higher in rural counties and central region due to fewer services currently available
- **Statewide projection:**
  - **\$2.07 billion to \$2.24 billion; \$25-\$27 per capita over ten years.**
  - Based on annual cost per capita derived from 12 county analysis
  - Capital projects largest part of funding (\$1.62 B)

# Policy Proposal Impacts



- Analyzed 23 proposed or passed waste-related bills from 2019-2022
- Looked at *system-wide* costs and savings
- Disposal Revenue and Estimated **Disposal Revenue Loss**:
  - Considers cost of transfer, transport, disposal, all other activities
  - Used data from Kitsap, King, Pierce, Skagit, and Spokane counties
  - **Average percent revenue NOT related to disposal: 28%**
- Overall fiscal effects of diverted waste:
  - ~3% of modeled costs attributed to revenue loss from decreased disposal of waste and loss of associated tipping fees.

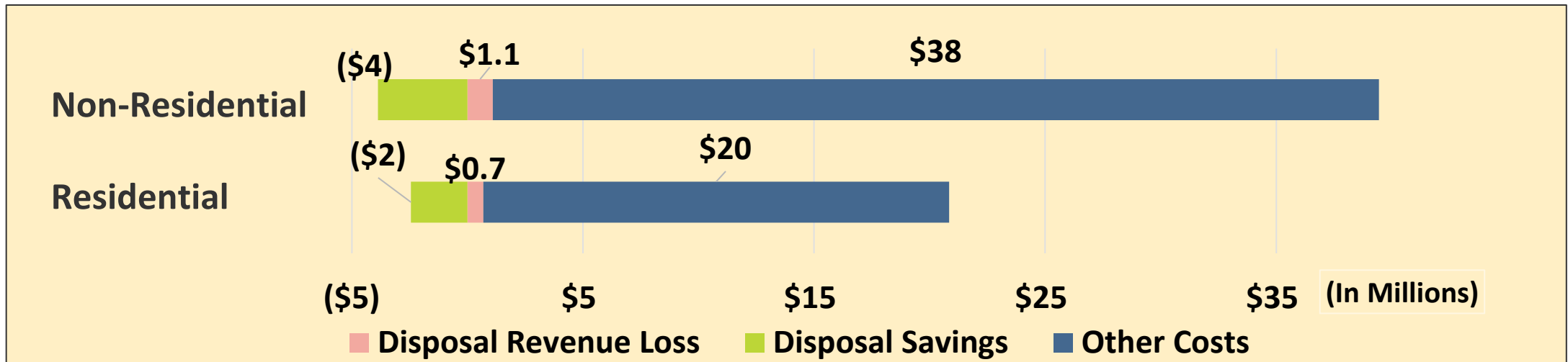


# Highest Cost Policy: HB 1799



**Statewide Annualized System Fiscal Impact and Tons Organics Diverted from Disposal**

Sector	Low		Medium		High	
	Cost	Tons	Cost	Tons	Cost	Tons
Residential	\$18,780,000	10,000	\$18,410,000	20,000	\$17,510,000	40,000
Non-Residential	\$36,680,000	20,000	\$35,570,000	30,000	\$32,800,000	60,000
<b>Total</b>	<b>\$55,460,000</b>	<b>30,000</b>	<b>\$53,990,000</b>	<b>50,000</b>	<b>\$50,290,000</b>	<b>100,000</b>



# 1799 Policy Impacts by Region



Region	Residential and Non-Residential		
	Low	Medium	High
Central	\$2,430,000	\$2,430,000	\$2,420,000
Eastern	\$7,640,000	\$7,500,000	\$7,160,000
Northwest	\$24,680,000	\$23,940,000	\$22,100,000
Southwest	\$20,720,000	\$20,120,000	\$18,660,000
Grand Total	\$55,460,000	\$53,980,000	\$50,310,000

# Highest Cost Savings: RENEW Act



- **RENEW Act: HB 2003/SB 5697** (2022) shifting financial responsibility for recycling packaging and paper from local governments to producers
- *Estimated system savings of \$176 - \$268 M/year.*
- **Other bills with savings:**
  - **Paint Product Stewardship: (HB 1652)** (2019) requires producers to fund a statewide paint collection and recycling program
    - Estimated savings of \$546,000 / year
  - **CROPs: (HB 1543)** (2019) reduces contamination and associated processing costs
    - Estimated systemwide savings: \$560,000 - \$2.48 M

# Alternative Funding Mechanisms



- Looked at new things from 2017 study:
  - EPR for Packaging & Printed Paper
  - Deposit Return System
  - Plastic Tax
  - Regional models / systems
  - Technical assistance

*...Tip fees bear the brunt of funding the system - up to 90% on average - and will continue to, barring significant policy change...*

# Recommendations



- EPR for Packaging (PPP) and other products
- Maintain or increase grants
- Direct some of the Solid Waste Collection Tax to solid waste purposes
- Explore other taxes; e.g. plastic tax
- Sustainable funding models
  - Contracting, rate structure, tip fees
- 2017 recommendations still valid
  - Disposal and collection districts



# Thank you

Find all the reports on our website:  
*Financing Solid Waste for the Future*

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<https://ecology.wa.gov/regulations-permits/guidance-technical-assistance/solid-waste-financing>

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