

PAYT NOW!

Practical, pocket-book incentives for long-lasting recycling at the local level...



**Workshop Given by
Econservation Institute
Superior CO**

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SPEAKERS / AGENDA - (Pacific Time)

- 11:00 – Introduction / Instructions
 - Juri Freeman, Econservation Institute
- 11:05 – PAYT Background, how it works
 - Lisa A. Skumatz, Ph.D., Econservation Institute;
skumatz@econservationinstitute.org; 866/758-6289
- 11:55 - Case Studies in PAYT
 - Juri Freeman, Econservation Institute;
 - info@econservationinstitute.org; 866/758-6289
- 12:00 – 12:50 – Panel on PAYT Implementation Strategies
 - Ordinance – Susie Gordon, Fort Collins, CO
 - Contracting - Douglas Short, Lafayette, CO
 - Municipal – Bruce Philbrick, Loveland, CO
 - Hauler Perspective – Gary Horton, Western Disposal, Boulder, CO
- 12:50 – 1:30 Open questions / discussion / panel



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ABOUT THE ECONSERVATION / REGION 9 PROGRAM

- Open webinars – open to ALL
 - Website assistance / materials
 - Peer match, “Ask the Experts”, other materials
- Hands-on help – Region 9
 - Targeted information, materials, peer match
 - Detailed assistance to design, develop, implement PAYT
- Watch www.paytnow.org for updates, new materials



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MAKING COST-EFFECTIVE CHOICES

Workable solid waste management programs...

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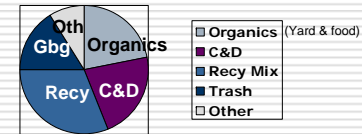
SOLID WASTE MANAGEMENT CHOICES

- Integrated programs - identifying low cost / high performing options
 - Mix of diversion strategies toward goals -- for cost, risk, diversification, leveraging
 - Priority materials?
 - Priority sectors?
 - Efficiencies?
 - The local situation...!
- Statistical analysis of strong-performing options
 - Hundreds of communities – beyond “case studies”



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WHAT MATERIALS? LARGEST WASTE STREAM COMPONENTS



- High volume targets (not brain surgery – common across all communities)
 - Recycling
 - Organics
 - C&D

Accuracy – different levels needed for planning vs. tracking...



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WHAT SECTORS? WHAT STRATEGIES?

- Usual evolution
 - Single family residential
 - Early win, homogeneous, authority, multiple materials
 - Commercial
 - Heterogeneous, tailoring, less authority, big “bang”
 - C&D
 - MF
 - Historically complicated
- Strategy types
 - Programs
 - Incentives
 - Mandates / requirements
 - Policies, legislation, other



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BASIC DIVERSION PROGRAM EVOLUTION

Strategies

FIRST: Drop-off recycling, Education

→ Drop-off yard waste, Curbside recycling; Compost training / education

→ → PAYT, Embedded recycling / no separate fee

→ → → Curbside yard waste option, Program efficiencies / enhancements

→ → → → Mandates, Incentives, Commercial strategies, Add food waste, C&D

→ → → → → Bottle bills, Special materials, Market development, Producer Resp+

- Generally low cost / low “authority” to higher
- Options for getting programs in place (municipalization, ordinance, contracts/districting, incentives) → discussed later

Sources: Skumatz (1996-2008)



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KEY DIVERSION DRIVERS - LEADING STATES

- What led to diversion?
 - NOT natural flow, economics (unincluded impacts)
 - Not market development efforts
- Consistent drivers / enablers → convenient programs
 - Legislation
 - Measurement
 - Funding
 - PAYT
 - Some included Subtitle D, "Ethic", Bottle Bill



Source: Skumatz Economic Research Associates study for CDPHE, "Roadmap for Colorado...", 2007



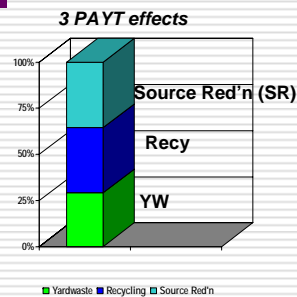
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PAY AS YOU THROW (PAYT)

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PAYT - EFFECTIVE AND COST-EFFECTIVE

- Effective:
 - Demonstrated in 7100+ cities – Practical / flexible
 - **DOUBLES** recycling
 - Diverts **1/5-1/6** from landfill!
- Biggest Impact:
 - Statistical study shows it is the **BEST** of more than 2 dozen options for increasing diversion
- Strong job creation (13:1)



Source for graphs and figures: Skumatz Economic Research Associates, ©



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PAYT - EFFECTIVE AND COST-EFFECTIVE

- Cost-effective:
 - 1/3 of the effect costs ZERO (SR)
 - PAYT needs **NO SEPARATE FUNDING** – paid by users (more equitably)
 - No increase in costs for 2/3 communities (short / long run)
 - Cheap for reduction of both GHG and Landfills

Source for graphs and figures: Skumatz Economic Research Associates ©



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PAYT COST, ACCEPTANCE

- ❑ Cost & workload impacts – 2/3 no increase (source: State surveys)
- ❑ Preferred by households



Communities – after PAYT	89%-95%
PARADE™	2/3 in favor



- ❑ Strengths / weaknesses

Key Advantages	Disadvantages
Rewards all diversion activities	Concerns about illegal dumping, equity (low income, large families), MF (see FAQs), change...
No new trucks down street (&wear/tear)	More complex rate study, outreach
Behavior / reminder; choice	Costs & savings - "Net" depends on local conditions
Utility; equity	
Works in variety of systems, tailor	
NEEDS NO SEPARATE FUNDING!	

Source

PAYT - BACKGROUND AND HOW IT WORKS

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PAYT- BASIC SYSTEM TYPES

- ❑ Variable cans/subscription
- ❑ Bags
- ❑ Tags/stickers
- ❑ Hybrid
- ❑ Weight-based (GBTP – technology adopted by RecycleBank™)
- ❑ Drop-off variations
- ❑ Pros and cons –
 - Variations by region
 - Historical recycling "rebates"- less strong than PAYT / only recycling

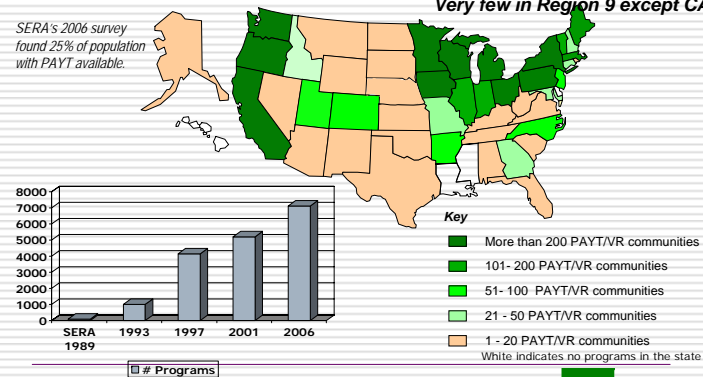


PAY-AS-YOU-THROW (PAYT)/ VARIABLE RATES COMMUNITIES

SERA's 2006 survey found almost **7,100** PAYT/VR communities and only 3 states without programs

Very few in Region 9 except CA

SERA's 2006 survey found 25% of population with PAYT available.



Superior, CO, 2006 6survey © SERA, all rights reserved, may be used with permission of author

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PAYT WORKING ACROSS US IN ALL COMMUNITY SITUATIONS

- Large communities
- Small, rural communities
- Tourist / student / mountain
- Isolated / island / self-haul
- Multiple Coll'n actors
- Collection method
- Ethnic diversity
- Climate extremes
- Curbside and drop-off recycling
- In Colorado and all geographic regions of US – everywhere is “special”

Source: SERA surveys © all rights reserved



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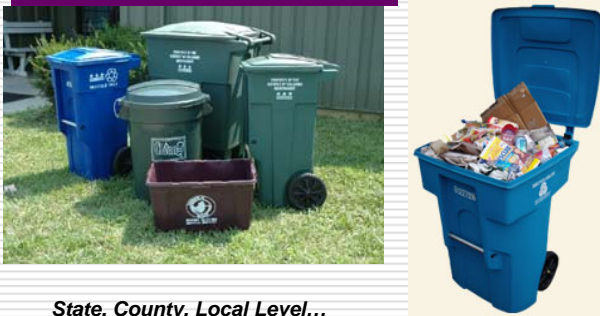
INCENTIVE OPTIONS / COMPARISON

- Rebates, discounts, market returns
 - Long history / performance
 - Simple incentives – most discontinued
 - RecycleBank™ new version of incentive



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GETTING PAYT & DIVERSION PROGRAMS IN PLACE



State, County, Local Level...
Legislation, ordinance, contract, muni...

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THREE OPTIONS FOR GETTING PAYT & PROGRAMS IN PLACE

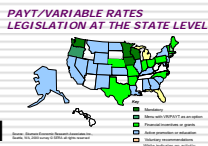
- Municipalization
 - Cities / towns
- Ordinance
 - Cities and counties
- Contracting / districting / franchising
 - Cities



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KEY ELEMENTS OF SUCCESSFUL PAYT PROGRAMS

- Level playing field
 - Haulers willing if...
- Recycling
 - Service definition, embedded fee, containerization
- Incentive:
 - Small container option (32 gallon)
 - Price incentive (80%)
 - Reporting & access for compliance
- Do-able at city, county, state level
 - Several states mandate, or mandate if...



Sample Ordinances & case studies on web site www.paytwest.org,
Paytnow.org, paytinfo.org map from © SERA all rights reserved

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GETTING PAYT IN PLACE: ORDINANCE VS. CONTRACT

Ordinance Pros	Contract Pros (similar for munic)
<ul style="list-style-type: none"> <input type="checkbox"/> Fewer Hauler ("Taking") & Citizen Complaints ("Choice") <input type="checkbox"/> Maintains competition <input type="checkbox"/> No need for "notice" <input type="checkbox"/> Quick <input type="checkbox"/> Can specify rate "structure" <input type="checkbox"/> Minimal City effort (RFP, etc.) <input type="checkbox"/> Retains "level playing field" for haulers – each implements the program and provides services knowing others will be operating under same rules. 	<ul style="list-style-type: none"> <input type="checkbox"/> Lower Cost / bills <input type="checkbox"/> Fewer trucks, "cleaner" set outs, reduced wear/tear on streets <input type="checkbox"/> One hauler to contact if problems arise. <input type="checkbox"/> City "control" including rates/setting; revenues <input type="checkbox"/> Can "designate" facility destinations for materials.

Sample language available for State legislation, contracts, ordinances, etc. at
www.paytnow.org; paytwest.org; www.paytinfo.org

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PAYT CONCERNS: ILLEGAL DUMPING AND BEYOND



Photos: Skumatz, 1999

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MAJOR CONCERNS ABOUT PAYT

- Illegal dumping
 - Minority of dumped waste; NEED Bulky item program
- Large families / poor families
 - Turn argument around. Unfair for small families, poor families to subsidize large disposers under current system – behavior affects bill now – control!
- Haulers
 - Business opportunity for haulers – recycling usually required
 - Revenues / rates / revenue stream issues – system choice options; subscription estimates critical; multiple revenue streams
 - Will do what customers want (if they pay for it)
 - Consider involving them in design
- MF, commercial
- Workload (WI/IA finds 2/3 have NO increase)
- Confusion, resistance to change – wait 6 months!
 - 89-95% prefer
 - Keep rates SIMPLE

Survey shows fears much greater than reality! – FAQs on website

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IMPLEMENTATION OPPORTUNITIES

- ❑ Contracts, franchises, rates or billing system being changed
- ❑ Landfill or disposal problems
- ❑ New or modified programs
- ❑ Existing system perceived as unfair
- ❑ Tight budgets, need to free up tax authority



PAYT may not be right for a community now, but almost ALWAYS worth investigating to see.

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PAYT CONCERNS / TIPS / SUMMARY

- ❑ Technical issues rarely the problem → performs
 - Pilot test / phase in
 - Strong diversion (all types), speedy, attitudes, retention, track record (7,100 towns), flexible / tailorable → local
- ❑ Public process, public education. Good customer education / understanding crucial
 - Education / why, how it works, how to make it work for me, packages for move-ins



- ❑ Politics, political will is the key stumbling block
 - Suggestions from communities; & champion
 - Negatives manageable if political will
 - Can't get there? Consider running for office!

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GHG, JOBS, NEXT STEPS

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PAYT AND EMISSIONS

- ❑ Recent work (SERA) comparing cost per MTCE from recycling / PAYT vs. energy efficiency programs
- ❑ Waste management programs cost-effective, with other policy advantages:
 - Jobs
 - Coverage, speed
 - Authority
 - Retention
 - No cost to city (users pay)
- ❑ Conclusion: Recycling / PAYT should be at the table for sustainability goals, stimulus funds

Can obtain report from skumatz@serainc.com

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TOP 5 STRATEGIES

Actions a community can task NOW!

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"TOP 5" - WHAT A COMMUNITY OR COUNTY CAN DO TO INCREASE DIVERSION... NOW!

- #5 Citizen sustainability committee
 - Activist/ involvement; access; options; grants
- #4 Measurement and goal-setting
 - Baseline/status quo/gaps, plan, goal, buy-in
- #3 Basic programs & ordinances
 - Ordinances for space for recycling; residential drop-offs, commercial programs (plans, lease, ABC, access) → opportunity
- #2 Education
 - Variety (incl. translating) → awareness
- #1 PAYT / Embedded recycling ordinance or contract → Number 1 thing you can do

handout available on web
SERA publication



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CASE STUDY - FLEXIBILITY IN PAYT

Juri Freeman

Skumatz Economic Research
Associates (SERA)

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PAYT FLEXIBILITY! - MIDDLETOWN, RI

- Adaptability of PAYT
- Located in sound of RI, population ~17,000
- Town-wide contracting for waste hauling with national hauler



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MIDDLETOWN, RI - HOW IT WORKS

- Residents pay annual fee to cover some fixed costs
- Must buy pre-paid stickers to put on trash bags for collection (~\$2)
- Includes unlimited recycling
- Summertime yard program too



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MIDDLETOWN, RI - WHAT IS UNIQUE?

- Lots of bag/tag programs
- This allows automated collection through bag in a can program
- Enforcement
- Results
 - Participating households dispose of average of 1.5 bags/week
 - Prior to program they had 18% recycling rate – now at 42% - highest in state



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SUMMARY

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OVERALL SUMMARY

- Recycling / diversion
 - Evolution, priorities, tailoring to local issues
 - Outstanding & varied examples around the country – can do locally
- PAYT – Tested, Flexible, Effective, Minimal Cost, LOCAL
 - Impacts, implementation options
 - Uniquely effective, flexible,
 - Self-funding program with local implementation options
- Green impacts - Direct and indirect (jobs, ghg) impacts – solid waste management in the mix - stimulus



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DISCUSSION AND QUESTIONS?

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Also: www.paytwest.org, paytinfo.org; payt.org

To help on statistical studies, consider filling out survey on:
www.serainc.com (national survey)

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