

EXECUTIVE SUMMARY

**Interim Committee Report on HM51
“Study Solid Waste Recycling”
Representative Jeff Steinborn
*Passed 2014 Legislative Session***

**Research and stakeholder meeting input coordinated by
the New Mexico Recycling Coalition**



NMRC
NEW MEXICO RECYCLING COALITION

EXECUTIVE SUMMARY

The memorial HM51, "Study Solid Waste Recycling" passed in the 2014 legislative session and sponsored by Representative Jeff Steinborn requested that strategies be developed to reach the state recycling rate goal of 50%. The New Mexico Solid Waste Management Act outlined a statewide goal to reach 25% recycling rate by 1995 and a 50% recycling rate by 2000. The state is currently at a 15.7% recycling rate (2012, NMED).

The bill also outlines the current supportive conditions that would lend to an increased likelihood of attaining these rates, with the proper planning, policy and guidance.

- Statewide, recycling collection and processing infrastructure of traditional recyclables (cardboard, paper, plastics, cans) has greatly improved with recent direct federal investments of almost \$2.5 million in rural and underserved areas and significant programmatic growth in many of our urban communities. Eighty-seven percent of our incorporated communities have access to traditional household recycling.
- The US EPA estimates that 80% of the waste stream is recyclable. Many states have attained 50% recycling rates, with many others working towards 75% goals.

Jobs and Recycling

There is a direct link between increased recycling and the creation of jobs in the local economy. A report commissioned by the NM Recycling Coalition estimates that 9,000 direct, indirect (jobs that serve the industry) and induced (jobs providing goods and services to direct and indirect workers) jobs in NM would be created once we attain a 50% recycling rate. Job sectors in this industry include collections, processing, re-manufacturing and reuse. In looking at these sectors, it is estimated our state would add more than 3,500 direct jobs managing recyclables at a 50% recycling rate.

Current Recycling Capacity

One of the Memorial deliverables is to assess the current recycling capacity in New Mexico, which shows that we have 22 regionalized recycling hubs that are equipped with processing equipment appropriate to create market-ready bales of material. These hubs are designed to manage traditional household and business recyclables to include cardboard, paper, plastics, aluminum and tin cans. Many of these hubs have the capacity to handle the current quantity of recyclable materials with some room for growth. In addition, a public-private partnership with the City of Albuquerque has brought in the largest recycling processing facility in the state, opening in 2013. This facility has the capacity to process single stream and receive sorted recyclables from around the state. As the state increases its recycling participation through policy and strategy, many of the regional hubs would most likely need to expand their collections, processing and storage capabilities to keep up with demand.

Traditional recyclables represent only a portion of recyclable materials. Other types of recyclables include scrap metals, organic materials/yard waste and construction/demolition (C&D) recycling. The organics and C&D recycling discards can comprise up to half of what enters the waste stream and thus offers huge opportunities for policy to increase recycling rates. Without a complete analysis in hand at this time, most community programs currently have some form of yard waste diversion program. Capacity expansion for increased organic material diversion would require expanded collection and processing operations, composting operation launch or expansion and local-use market development. In regard to C&D recycling, there are a few opportunities to recycle such materials as concrete, drywall, wood and metals from construction projects. This sector would require extensive processing, sorting and market development for large-scale C&D recycling to take place.

Recommendations to Attain A 50% Recycling Rate

The second directive of the Memorial was to develop recommendations for legislative and state agency actions designed to enable New Mexico to attain the 50% recycling rate goal, including budget recommendations and a projected timeline. The New Mexico Recycling Coalition (NMRC), working in partnership with the New Mexico Environment Department (NMED), agreed to lead the research and stakeholder group process to begin addressing the needs of this memorial. This

report's recommendations are based on stakeholder feedback from more than 40 individuals that attended a stakeholder meeting on June 11th in Albuquerque (please see stakeholder list in the Appendix). Those results were then distilled to provide guidance for future endeavors to continue developing strategies to reach a 50% recycling rate. Both the NMRC board and the New Mexico Environment Department have reviewed these results.

In preparation for the stakeholder meeting, NMRC conducted intensive research to see what policies and strategies were used in high-performing states with high recycling rates, many of which were close to or have exceeded a 50% recycling rate. NMRC also researched information gathered from two states that are in the process of developing strategy and initiatives to reach similar goals. Florida has a wealth of information gleaned from several years of stakeholder meetings and consultancy. Florida is currently at a 31% recycling rate with a goal to reach 75% by 2020. Michigan is another state that is in the early stages of planning to reach a 50% goal. Indiana recently passed legislation that the state will develop strategies to reach 50% as well.

A menu of strategies and policies used in the high-performing states and recommended in both Florida and Michigan were presented to the stakeholders in order to provide a baseline of information for the facilitated breakout groups to operate with. Following the informational presentation, 5 break-out groups led by NMRC board members were convened with planning so that each break-out group represented diverse sectors of the industry.

Five questions were posed for each break-out group to provide their feedback on, with each facilitator then reporting back to the entire gathering. The findings below represent an analysis of what each of the break-out groups brought back, with policies and concepts that surfaced most often being represented in this initial stakeholder feedback process:

Question 1: What Resources Would NMED Need to Accomplish Goal

1. **Increased Funding** (for grants, NMED staffing, education/outreach)
2. **Education and Outreach on State and Local Level**
3. **Technical Assistance to Communities**
4. **Hire More Staff** (3-5 positions)
5. **Examine Recycling Reporting Requirements** (Examine EPA standard measurements, ensure private sector reports)

Question 2: Funding Mechanisms to Support the 50% Recycling Rate

1. **Landfill Tip Fee** (A fee is charged on all solid waste tons and set aside by the state for such services as provision of grant funding to communities for recycling improvements, offer in-depth community technical assistance, statewide education and outreach, and programmatic support)
2. **Increase Recycling and Illegal Dumping Act Grant Funds** (The existing Recycling and Illegal Dumping Act creates a grant fund, in 2014 there was \$800,000 available, from a \$.50/vehicle registration fee that funds tire recycling projects, illegal dumping initiatives and recycling. Based on the act's funding guidance, 1/3 of grant funds can be split to award to illegal dumping and recycling projects, providing approximately \$132,000 to recycling projects.)
3. **Luxury or Sales Tax**

Question 3: Short Term Policy Recommendations (within next 6 years)

1. **Mandated Commercial Recycling** (Many states and local communities have created the requirement of recycling at business and multi-family housing establishments, often based on the size of community and/or the size of the business. As identified in the Florida research, recyclable collection from this sector represents the largest opportunity for increased recycling tonnage.)
2. **State Agencies/NMDOT Use of Recycled-Content Materials** (For example, using locally-produced recycled-content compost or mulch on state projects, rubberized asphalt using recycled tires and other recycled-content implementation practices.)
3. **State Agency & Publicly Funded Entity Recycling and Waste Reduction Requirements** (Examples include two-sided copying, state procurement of recycled content, state agency reporting of recycling efforts.)
4. **Develop Construction & Demolition Recycling Strategies** (Another large sector of the waste stream that has potential to greatly improve the recycling rate.)

Question 4: Long Term Policy Recommendations (6+ years)

1. **Statewide Pay-As-You-Throw** (A form of utility billing system, where customer pays for how much trash they dispose of by the bag or size of trash can. Has been proven in 7,000 communities to reduce disposal and increase recycling.)
2. **Landfill Bans on Materials** (Banning materials from disposal can include organic materials such as yard waste, traditional recyclables such as cardboard, paper, plastics and toxic materials such as electronics, compact fluorescents or rechargeable batteries.)
3. **Product Stewardship** (This policy designates products that are oftentimes harder-to-recycle or have toxic elements, such as paint, mattresses or electronics, so that product manufacturers are responsible for the take-back program or private funding to manage the proper recycling of covered items.)
4. **Incentives for Private Business** (e.g. recycling equipment tax credits, Recycling Market Development Zones that ensure investments are spread throughout the state)

Question 5: Greatest Challenges for NM to Reach 50%

1. Changing Habits/Lack of Public Education
2. Funding

Recommendations

Based on these findings, we would like to recommend the following next steps:

- 1) **Convene 4 stakeholder groups** to start work in October 2014 through 2015 to bring a wide range of vested stakeholders to the table, to educate and build consensus towards policy recommendations. As funding is a critical element in the majority of the high performing states and those working towards higher recycling rates, this cornerstone piece is represented by a committee assignment. The other three committees represent strategy targets that surfaced from the Short- Term Policy Recommendations.

The Four Committees Recommended:

- Funding
 - Commercial Recycling
 - State Agency Recycling
 - Construction and Demolition Recycling
- 2) It has been agreed that **NMRC and NMED will work in partnership moving forward to host** these stakeholder meetings, conduct research on policy and strategy as needed and consolidate results.
 - 3) Findings and recommendations from these 2015 work groups will better inform the necessary recycling collection and processing capacity assessment needed to attain this goal, as well as development of a timeline for attainment and budgeting needs.
 - 4) It is expected that this is a **multi-year process** as evidenced by what other states are in the process of conducting and it is our hope to maintain the energy and impetus here in New Mexico to create a comprehensive and attainable plan towards reaching 50%.
 - 5) Ensuring proper staffing to conduct these stakeholder meetings and research is critical. The stakeholder group recommended increased NMED staffing in order to attain this goal. It is **recommended that an initial step would be for NMED to create at least one new position in the near term** that can dedicate time to this diversion goal, providing technical assistance to communities, guiding the stakeholder process and researching established strategies proven in other states. This is a much more affordable route than hiring a consultancy firm to conduct this groundwork.

HM51 Stakeholder Meeting Attendees, June 11th, 2014, Albuquerque

| Name | Organization |
|-------------------------|-----------------------------------------------------------------|
| Rick Sprott | Angel Fire Municipal League/Angel Fire Sustainability Committee |
| Joy Esparsen | Association of Counties |
| John Zarola | Bernalillo County Extension Master Composters Association |
| Charles Wohlenberg | Central NM University |
| Jill Holbert | City of Albuquerque |
| Bobby Sisneros | City of Albuquerque |
| Melissa Lopez | City of Grants |
| Jim Fisk | City of Grants |
| Lawrence Garcia | City of Santa Fe |
| Armando Gabaldon | City of Santa Fe |
| Karen Sweeney | Eldorado/285 Recycles |
| Joseph Eigner | Eldorado/285 Recycles |
| Allyne Scott | Eldorado/285 Recycles |
| Susan Daniel | Eldorado/285 Recycles |
| Dwight McDonough | Estancia Valley Solid Waste Authority |
| Morris Friedman | Friedman Recycling |
| Matt Nowakowski | General Mills |
| Charles Fiedler | Gordon Environmental |
| Gerald O'Hara | McKinley Citizens Recycling Coalition |
| Mary Canavan | Navarro Research and Engineering, NASA White Sands |
| Ralph Anderson | NM Composters |
| Dora Dominguez | NM Economic Development Department |
| Antoinette Vigil | NM Economic Development Department |
| Michael Vonderheide | NM Environment Department |
| Auralie Ashley-Marx | NM Environment Department: Solid Waste Bureau |
| Joan Snider | NM Environment Department: Solid Waste Bureau |
| Tim Gray | NM Environment Department: Solid Waste Bureau |
| Regina Romero | NM Municipal League |
| English Bird | NM Recycling Coalition |
| Jessi Just | NM Recycling Coalition |
| Sarah Pierpont | NM Recycling Coalition |
| Audrey Herrera-Castillo | NM Tourism Department |
| Marlene Feuer | NMRC Board Member |
| Cindy Padilla | NMRC Board Member |
| Chris Campbell | NMSU Institute for Energy and the Environment |
| Ric Morgan | Recycle Cibola |
| Ralph Wrons | Sandia National Labs |
| Bert Sanchez | Sandoval County |
| Danita Boettner | Santa Fe Solid Waste Management Agency |
| Adam Schlachter | Santa Fe Solid Waste Management Agency |
| Patrick Peck | South Central Solid Waste Authority |
| Terry Timme | Town of Silver City |
| Joshua Chavez | Village of Los Lunas |
| Marcus Montoya | Village of Los Lunas |
| Lance Allen | Waste Management |