



8.0 FUNDING

This section provides information on how solid waste services and programs provided by the County are funded. Information is provided on current funding and anticipated funding needs over the 20-year planning period.

EXISTING FUNDING

The County’s solid waste management program is designed to be a full-cost recovery program. This means the costs of the solid waste programs are fully paid for by the user fees charged to waste generating sectors for usage of the programs. This section discusses the current key funding mechanisms for the County solid waste management program.

Household Solid Waste Rate

The most significant source of funding for these programs comes from the annual Household Solid Waste Rate (HSWR). The HSWR is a fee charged to all households in Arlington County receiving direct services for solid waste, recycling, and organics management. The HSWR is reviewed as part of the annual budget process and adjusted, if necessary, by the County Board after a public hearing. The fee is based on the total costs for programs and services provided by the County minus user fees collected for special programs and services and the revenue generated from the sale of recyclable materials.

The annual HSWR is evaluated and adjusted to cover the cost of residential services. Expected increases in the HSWR is due to increased contract costs for material collection and recycling processing. The favorable pricing the County has received over the last few years is not expected to continue in renegotiated contracts. Despite the anticipated increase in the HSWR, Arlington County’s rate is still about 25 percent lower than neighboring jurisdictions of the City of Alexandria and Fairfax County for providing comparable services. The HSWR is billed quarterly on each household’s utility invoice. The County expects the HSWR to continue to be a full-cost recovery program fee over the planning period.

Multi-family and Commercial Recycling Program Fee

Similar to the HSWR, the County’s multi-family and commercial recycling program fee is also designed to be full-cost recovery. The multi-family and commercial recycling program fee is charged to each business and multi-family property in the County. The fee is based on the square footage of the property and usage type. Although the County does not provide direct services to the multi-family and commercial sectors, the County has established regulations requiring them to establish and operate a recycling program. The program fee covers the County’s cost for facility inspection and the processing of recycling reports that are required to be submitted as part of the County’s regulations.

The County expects the multi-family and commercial recycling program fee to continue to be a full-cost recovery program fee over the planning period.

Other Revenue

The County receives additional revenue from the sale of scrap metal and electronics, compost bin sales, plastic bag tax, and services provided to other County departments. These revenue sources are not significant and are not designed to fully cover the cost of these activities or services.

FUTURE FUNDING

The current WDSA Arlington County has with Reworld and the City of Alexandria ends in 2038. The County expects to extend the service life of the existing WTE Facility by completing a facility retrofit and upgrade. To understand the costs associated with modifying the existing facility, the County will commission a study to identify funding sources and explore the feasibility of each option to upgrade the WTE Facility.

The County has identified a number of voluntary program enhancements for waste management to achieve zero waste by 2038. These initiatives do not fall within DEQ recycling requirements, but will help the County increase the recycling rate beyond the current rate of 52.4 percent (2021). Implementation of each initiative is subject to the annual budget process, feasibility analysis, and County prioritization, which gives the County the flexibility to implement new programs, services, and policies as resources become available.

As the County implements the voluntary program enhancements discussed in this plan, funds will need to be allocated to support them. These initiatives, when fully implemented, are expected to cost the County \$10.0 to \$24.8 million dollars over the 20-year planning period. Funding to support these initiatives may need to come from an increase in existing user and program fees (i.e. HSWR) or from the establishment of new fees or funding mechanisms (i.e. environmental investment fee). These new mechanisms may require state approval. In order to identify and evaluate the best option(s) for funding the programs and services needed to confirm long term disposal capacity and achieve zero waste, the County will need to conduct an in depth financial analysis and study to identify and evaluate funding sources and select the best option. Key components of this study should include:

- Funding mechanisms
- Sector(s) impacted
- Collection mechanism
- Escalation considerations
- Equity needs

The results of this study will help the County establish a funding program that supports the diversion strategies discussed in this plan along with ensuring the County has long term disposal capacity. Some potential funding mechanisms to be considered as part of the study are discussed below.

Funding Mechanism	Description
Household Solid Waste Rate	As discussed above, the HSWR is charged to all residential properties receiving County curbside collection services. The fee is full-cost recovery for the services provided to the residential sector. Many of the zero waste initiatives discussed as part of this plan impact the residential generating sector. The HSWR is an important source of revenue that may need to be increased to help pay for some of the County's zero waste initiatives.
Multi-family and Commercial Recycling Program Fee	As discussed above, the multi-family and commercial recycling program fee is full-cost recovery. With many of the zero waste initiatives discussed as part of this plan impacting the multi-family and commercial generating sectors, it may be necessary to evaluate this fee as a potential revenue source to offset some of the zero waste program costs.
Plastic Bag Tax	<p>In September 2021, the County Board passed a law that imposes a five cent per bag tax on disposable plastic bags beginning January 1, 2022. Plastic bags generally provided at grocery and convenience stores are impacted by this tax. Customers of these establishments who request a plastic bag for their purchased goods are charged five cents per bag. Fees collected through the plastic bag tax amount to about \$25,000 per month. In 2022, three of the five cent tax is remitted to the County while the retailer that collected the tax keeps the remaining two cents. In January 2023, the allocation of the tax was adjusted so that four of the five cents is remitted to the County and the retailer collecting the fee will keep one cent.</p> <p>The purpose of leveraging this tax is to reduce the consumption of plastic bags. The money collected the tax is used to support environmental programs in the County, such as buying reusable bags to distribute. The plastic bag tax provides a steady and important revenue stream that can be used to enhance and implement waste diversion and recycling strategies and support the solid waste programs discussed in this plan. It may be necessary to increase the tax in order to continue discouraging the use of plastic bags.</p>
General Fund	The County's general fund provides the resources for general County operations. The fund may also serve to help support the zero waste initiatives discussed as part of this plan.

Funding Mechanism	Description
Environmental Investment Fee	<p>An Environmental Investment Fee (EIF), or solid waste generator fee, is a fee that can be levied to both residential and commercial entities. The EIF is based on an entity's estimated waste generation rate. The revenues generated by this fee could provide funding needed to expand or implement the waste diversion initiatives and general solid waste planning issues discussed in this plan. It can also fund community-wide programs such as litter collection, street sweeping, and waste stream assessments.</p>