

2021 Status of the Colorado Paint Stewardship Program

January - December 2021

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COLORADO

**Hazardous Materials
& Waste Management Division**

Department of Public Health & Environment

Executive summary

The Colorado Paint Stewardship program (PaintCare) set an all-time record in 2021, for an annual paint recovery rate of 5.5%, as measured by comparing the gallons of unused paint collected with the gallons of paint sold. The COVID-19 pandemic impacted the Colorado PaintCare program in 2020, due to the temporary closure of paint collection sites and necessary postponement of paint drop-off events, resulting in significantly decreased paint recovery rates. While the pandemic continued into 2021, PaintCare saw a significant rebound in the number of active collection sites and collection events. Year over year, paint collection quantities increased by 134,000 gallons in 2021, while paint sales decreased by 456,000 gallons.

Even with the notable increase in the paint recovery rate for 2021, the Colorado PaintCare program finished the year with a reserve balance of over \$8.8 million, which is up from the \$8.1 million in 2020. After 2021, PaintCare has a reserve level of 130%, exceeding the maximum reserve set by the PaintCare Board of Directors. A reserve level of 130% means that the PaintCare program has more money in its reserve than its annual expenses for the year. The Colorado Department of Public Health and Environment (CDPHE, the department) recommends that PaintCare should suspend or significantly limit investment activity of the assessment fees until the reserve balance drops below their annual expenses.

A visual representation of the paint stewardship program metrics is available at:
<https://cdphe.colorado.gov/paintcare-data-stats>

2021 highlights

- PaintCare collected 793,228 gallons of unused paint in 2021.
 - Roughly 14.5 million gallons of paint were sold in 2021, yielding over \$7.1 million in fee revenue.
 - Program expenses were just over \$6.8 million. In total, PaintCare has accumulated a surplus of over \$8.8 million, which equates to a 130% reserve balance.
 - The processing cost per gallon decreased from \$8.80 in 2020 to \$8.58 in 2021.
 - PaintCare serviced over 76 paint collection events and provided 153 direct large volume pick-ups from businesses in 2020.
 - There are 185 year-round, permanent drop-off locations throughout Colorado.
 - 97.3% of Coloradans live within a 15 mile radius of a permanent drop-off location.
 - PaintCare is close to satisfying the last two geographic program requirements, by providing door-to-door pickup in underserved urban areas (Colorado Springs and Denver Metro areas), totaling 804 collections for the year.
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Program overview

On July 1, 2015, the Colorado Paint Stewardship Program began managing unwanted paint in Colorado (as required by the Architectural Paint Stewardship Act, or the act). The act allowed for the creation of a stewardship organization to manage end-of-life options for paint. PaintCare is the non-profit stewardship organization selected to collect and manage unwanted paint statewide. In accordance with the act, fees were established on all new paint sales—35 cents per pint or quart, 75 cents per gallon, and \$1.60 per five-gallon container, to fund end-of-life paint management.

The act also specifies that PaintCare must establish convenient sites for consumers to drop off unused latex and oil-based paint according to three different geographic requirements (for more information on the geographic requirements or background on the program, please see the PaintCare 2021 Annual Report found on [paintcare.org](https://www.paintcare.org)). Once paint is collected, facilities must manage the collected paint in accordance with the disposal hierarchy.

The disposal hierarchy establishes source reduction as the most preferred paint management option, followed by reuse and recycling, with disposal being the least preferred option. The PaintCare program increases consumer opportunities to properly manage leftover paint and provides cost savings to household hazardous waste (HHW) programs. Before the implementation of PaintCare in 2015, HHW facilities with paint take-back programs incurred the associated costs. Now, fees from new paint sales fund paint take-back programs at HHW facilities and other PaintCare program expenditures.

The Hazardous Materials and Waste Management Division (the division), within the department, oversees PaintCare to ensure all aspects of the act and the approved program plan are followed. The division develops this report annually for the Senate Health and Human Services Committee and the House Public Health Care and Human Services Committee to report on the program status and adherence to the act (Senate Bill 14-029, 25-17-401 C.R.S.).

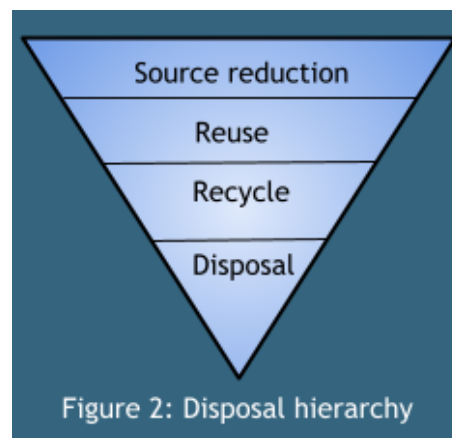
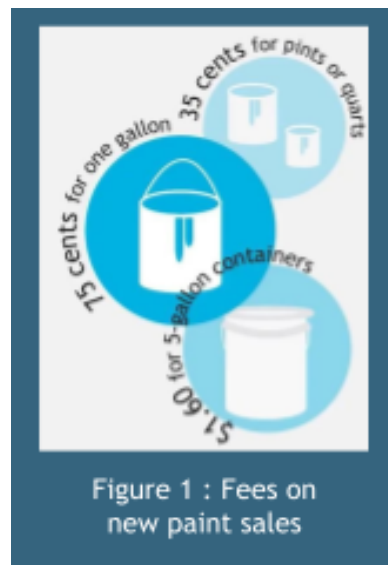






















Figure 3 below illustrates the roles and responsibilities between PaintCare and the department.

Figure 3. PaintCare and CDPHE roles and responsibilities

PaintCare	CDPHE
 Receives fees collected from paint sales	 Receives \$120,000 annually from PaintCare for oversight
 Arranges paint collection and processing	 Inspects retailers and drop-off locations for program compliance
 Tracks volumes collected and processed	 Reviews annual report and financial audit for program compliance
 Submits annual report to CDPHE	 Reports to legislature annually on program
 Organizes and hosts collection events	 Completes in-house GIS modeling to check geographic requirements
 Manages and acquires paint drop-off locations	 Addresses complaints from the public and participating facilities
 Provides signs and materials for the public	 Reviews financials and assists PaintCare with managing surplus funds
 Contracts with haulers and processors for paint collection and disposal	 Approves fee amount
 Proposes fee amount	 Approves the program plan
 Creates the program plan	 Presents on the program at local conferences

With 14.5 million gallons of new paint sold in Colorado in 2021, Paintcare collected 793,228 gallons of unused paint in the same time period. The division's PaintCare data and statistics website shows how this unused oil-based and latex paint is processed (under Paint Processing tab) at: <https://cdphe.colorado.gov/paintcare-data-stats>.

Reporting and program data

PaintCare measures paint recovery by comparing the gallons of unused paint collected with the gallons of paint sold. In 2021, the recovery rate was 5.5 percent. This figure might seem low, however it is important to note that most of the paint sold is used as a product. It is difficult to quantify how much paint sold in one year is unused.

Given that the program has collected paint for over seven years, there are multiple trends in the reported metrics. To display the data in an easy and transparent way, division staff created a Tableau dashboard, available at: <https://cdphe.colorado.gov/paintcare-data-stats>. This dashboard allows stakeholders to visualize program performance through various graphs. The dashboard shows that program performance has been relatively stable with slight advances year-to-year. The exception is 2020, with lower than average collection and higher than average paint sales, due to the COVID-19 pandemic. As noted on the dashboard, 2021 shows a recovery in paint collection, with the highest gallons collected thus far. Paints sales in 2021 decreased slightly from the anomalous 2020 but still exceeded all other years. Since the program began, 2021 had the highest recovery rate of unused paint collected at 5.5 percent.

At the end of 2021, PaintCare had an accumulated surplus of \$8,879,650, after receiving \$7,188,288 in fee revenue and spending \$6,807,044 on program expenses. The PaintCare surplus amount has grown by roughly one million dollars annually since 2016, with 2020 being an exception, as the surplus increased by almost \$2.3 million in that one year. In 2021, the surplus balance increased slightly from 2020, and the reserve level, based on annual expenses, decreased 11% from 2020. The division will continue to closely monitor this balance and work with PaintCare to ensure program fees align with program costs.

Final paint disposal

Professional waste haulers, who are independent contractors, visit each paint drop-off location and pick up the paint for processing. Most latex paint is processed and recycled in Colorado, while most oil-based paints are sent out of state for final processing. Clean Harbors, Inc. and Veolia are the two largest hauling companies for the PaintCare program. Both Clean Harbors and Veolia send most unused latex paint to GreenSheen, a paint recycler in Denver. There are two other paint recycling companies, Old Western Paint (Denver) and Southern Colorado Services and Recycling (Pueblo), located in Colorado. Some landfills and HHW facilities also process latex paint. Waste haulers send most unused oil-based paints to various facilities out of state where the paint is then incinerated or used in industrial machinery as fuel.

How Colorado compares to other states

PaintCare currently operates in 11 states, including Washington D.C. The most recent states to pass legislation and begin collection are New York, Washington D.C., and Washington. PaintCare programs vary from state to state, as illustrated in table 1 below. The average per capita processing rate among participating states is 0.12 gallons processed per person. Colorado's per capita processing rate is above the average at 0.14 gallons processed per person. Please note that data is not yet available for New York, because the program started in 2022.

Table 1. 2021 PaintCare Program Data by State

	CO	CA	CT	Wash DC	ME	MN	NY	OR	RI	VT	WA
Gallons sold	14,468,105	76,586,693	6,057,141	1,071,458	2,210,951	9,529,221	New program	9,324,208	1,552,781	1,053,612	11,822,257
Gallons collected	793,228	4,033,477	437,799	42,337	136,818	1,007,909	-	740,102	92,811	111,847	581,363
Gallons processed per capita*	0.14	0.10	0.12	0.06	0.10	0.18	-	0.17	0.08	0.18	0.07
Total surplus	\$8,879,650	\$63,222,930	\$3,895,821	\$941,130	\$678,757	\$5,004,771	-	\$2,472,922	\$954,660	-\$193,486	\$6,832,647
Recovery rate	5.5%	5.3%	7.2%	4.0%	6.2%	10.6%	-	7.9%	6.0%	10.60%	5.0%
Started collecting paint	2015	2012	2013	2016	2015	2014	2022	2010	2014	2014	2021

*Per capita rates were calculated by taking the gallons collected divided by the state population. Rates are rounded to the nearest hundredth decimal place. Population is based on The US Census Bureau QuickFacts database.

Financial audit, reserve policy and surplus funds

In accordance with the act (25-17-405(3)(VII)), PaintCare is required to submit an annual audit with their annual report to the department. This year, PaintCare used Rogers & Company PLLC, an independent CPA firm, to conduct the audit. In Rogers & Company's opinion, PaintCare has fairly presented, in all material respects, the financial position, changes in its net assets, and cash flows as of December 31, 2021.

Each year, PaintCare places surplus funds in reserves for future use. The Board of Directors for PaintCare sets their own reserve policy, which establishes a range with a minimum and maximum surplus amount. PaintCare currently has a target reserve of 100 percent of annual expenses, with a minimum threshold of 75 percent and a maximum of 125 percent. PaintCare has increased this target reserve and range since 2015, when the program originally had a target reserve of 50 percent, with a minimum of 16 percent and a maximum of 75 percent. As previously noted, PaintCare ended in 2021 with a 130 percent reserve balance. This reserve allows PaintCare to continue operations during times of either higher than expected paint collection or lower than expected paint sales. While 130 percent is higher than the maximum threshold set by PaintCare, in 2021, they decreased the reserve by 11 percent compared to the previous year. The division hopes to see PaintCare continue this trend, such that the reserve is within its set range in 2022.

In February 2022, PaintCare submitted a revision to their Program Plan. The proposed revision decreases the fee collected on two gallon containers to more closely match other states. While this is not likely to make a large impact on their revenue, it is a step in the right direction to decreasing the reserve balance. The division recommends that PaintCare continues to have frequent check-ins with division staff to review program operations and the status of the reserve balance.

Outreach and geographic requirements

PaintCare's outreach targets retailers, painting contractors, municipal agencies, and the general public through direct contact and advertising. Examples of outreach material are available at paintcare.org.

To ensure adequate collection opportunities, the act prescribes three geographic requirements PaintCare must adhere to:

1. There must be a drop off site within a 15 mile radius of at least 90 percent of Colorado residents.
2. An additional drop-off site must be provided for every 30,000 residents of an urbanized area.
3. PaintCare must provide paint collection events for residents who live outside the 15 mile radius of permanent collection sites.

Currently, 97% percent of Colorado residents live within 15-miles of a drop-off site, thus exceeding the 90% requirement of the act (figure 4). However, to satisfy the geographic program requirements noted above, an additional three sites are needed throughout the urbanized area of Colorado Springs, and 22 sites are needed in the Denver-Aurora area. To address the geographic requirements of these two underserved areas, PaintCare offered a door-to-door pick up program for residents that have 10 or more gallons of paint at no cost to residents in the Denver Metro area and El Paso/Teller Counties. The service picked up paint

for 804 households in 2021. Figures 5 and 6 show the total gallons of paint collected, as well as the total gallons of paint collected per capita in each county in 2021, respectively. While not a written requirement, PaintCare has provided collection services in all 64 counties in Colorado over the course of the program, as displayed in Figures 6 and 7.

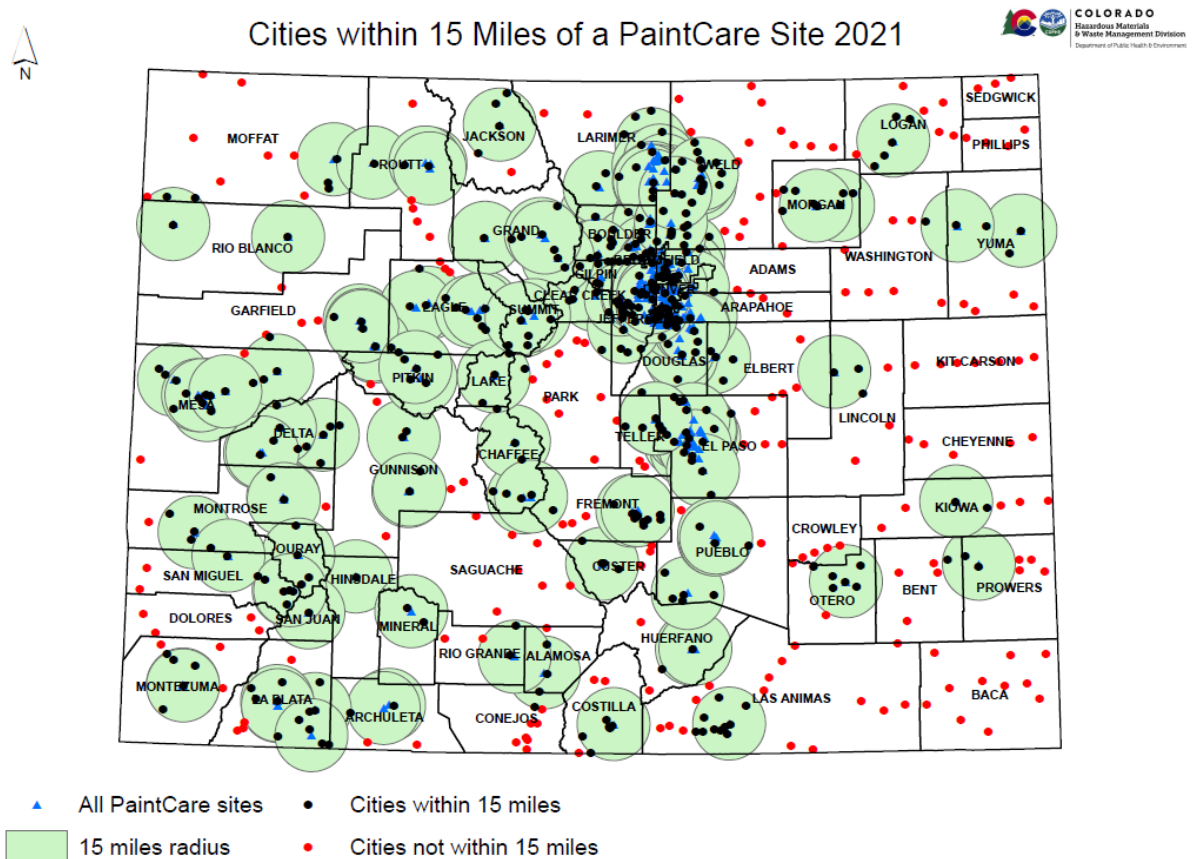
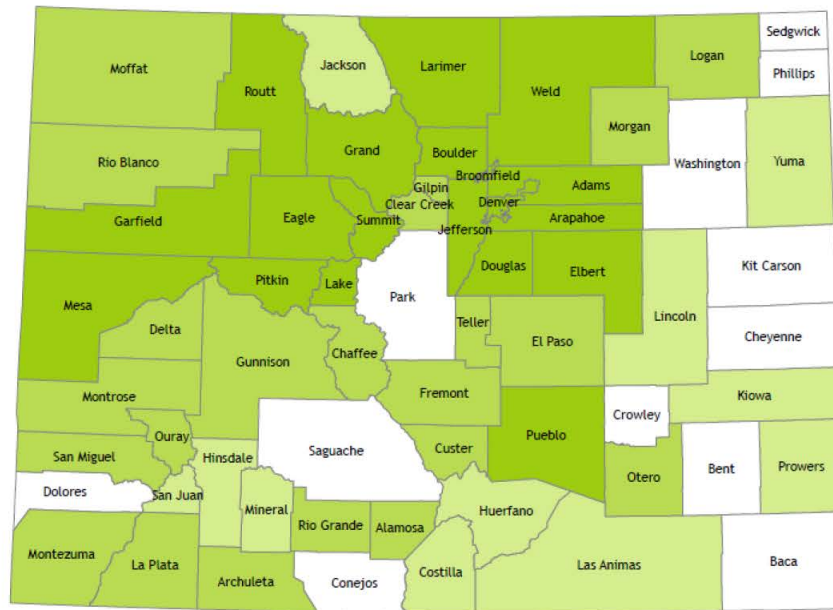


Figure 4. Cities Within 15 Miles of a PaintCare Site 2021

The map in figure 4 displays the cities in Colorado that are within a 15 mile radius of a PaintCare or supplemental site year-round versus the cities that sit outside that 15 mile radius.



Paint Recycling Total Gallons 2021



Total gallons 2021

0	1 - 500	501 - 5000	5001 - 126988
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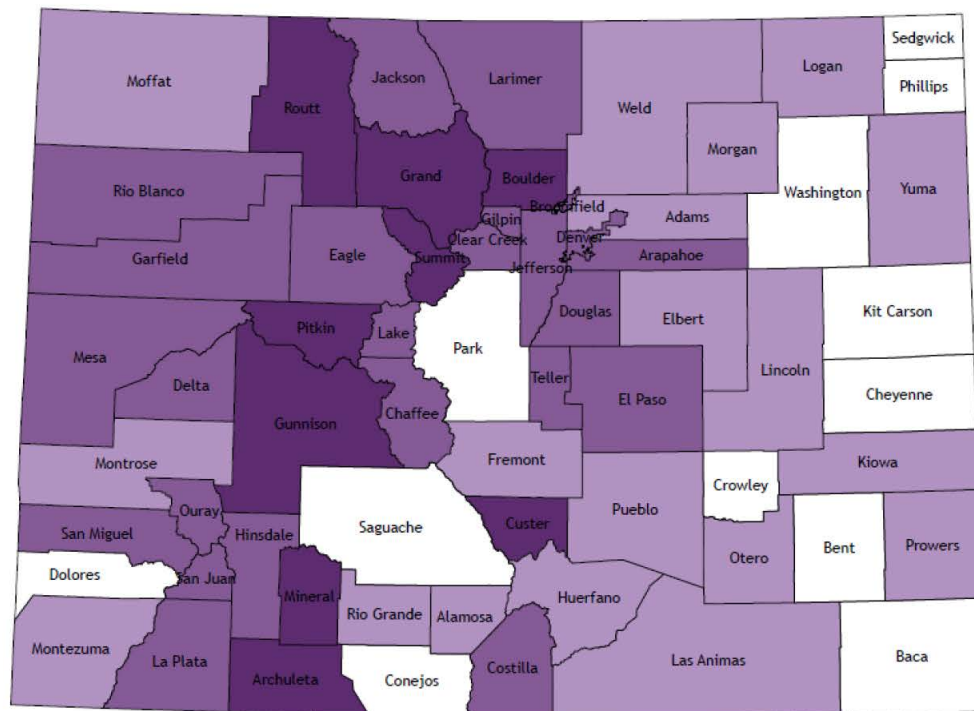
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Figure 5. Paint Recycling Total Gallons 2021

The figure 5 map displays total gallons of paint collected in 2021 by county.



Paint Recycling Per Capita Gallons 2021



Per capita gallons 2021 0.00 0.01 - 0.10 0.11 - 0.20 0.21 - 0.40

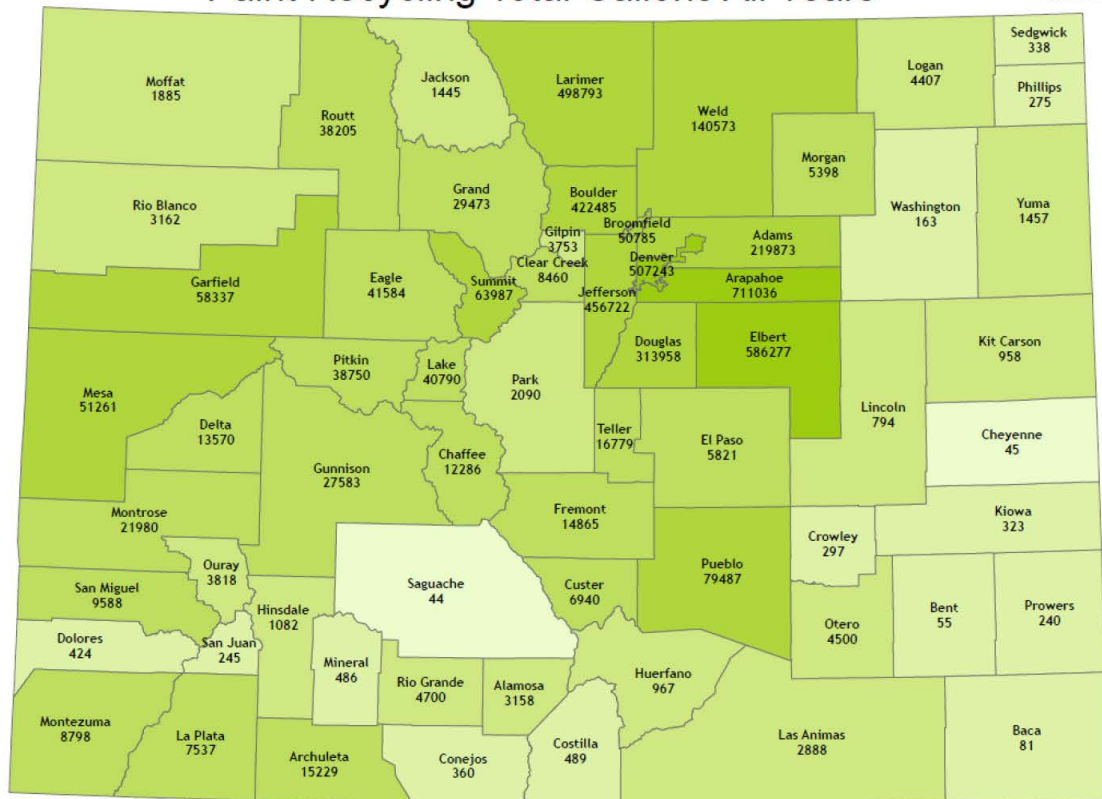


Figure 6. Paint Recycling Per Capita Gallons 2021

The map above displays total gallons of paint collected in 2021 per capita in each Colorado county. Rates were collected by dividing the total gallons collected in each county by the county population. The rate is rounded to the nearest hundredth decimal place. Population is sourced from the US Census Bureau 2020 data.



Paint Recycling Total Gallons All Years








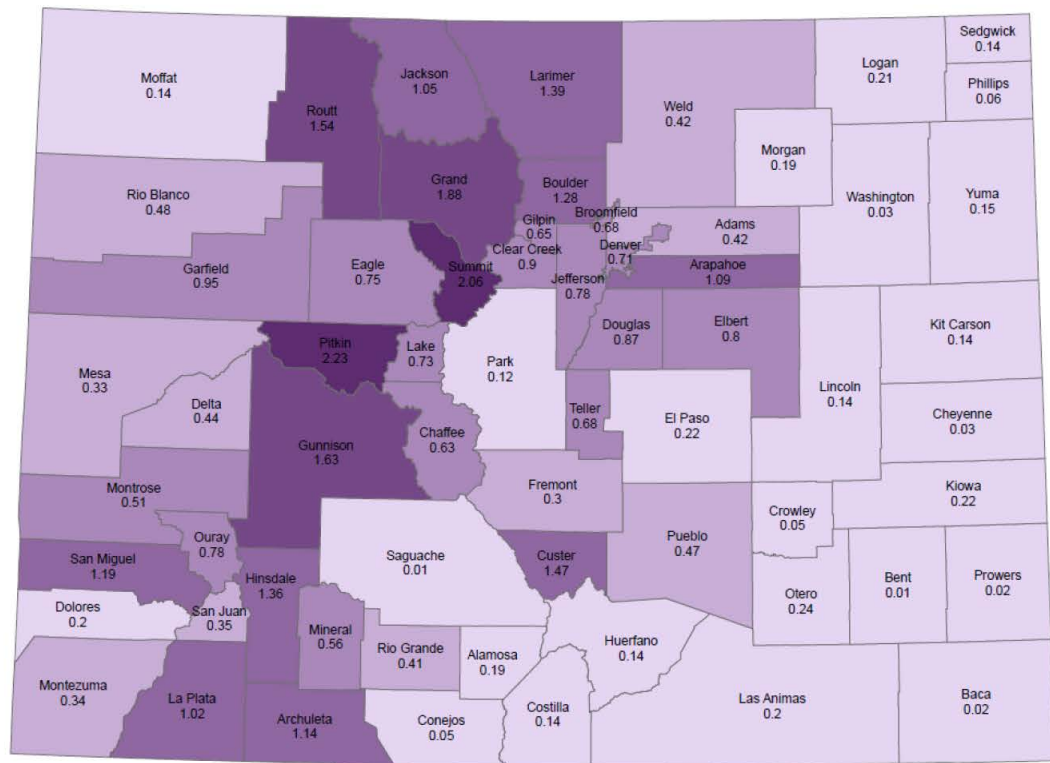
Total Gallons All Years  ≤ 50  51 - 500  501 - 5,000  5,001 - 50,000  50,001 - 500,000  > 500,000

Figure 7. Paint Recycling Total Gallons All Years

The figure 7 map displays total gallons of paint collected from 2015-2021 in each Colorado county.



Paint Recycling Per Capita Gallons All Years



Per Capita Gallons All Years

<= 0.25	0.26 - 0.50	0.51 - 1.00	1.01 - 1.50	1.51 - 2.00	> 2
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Figure 8. Paint Recycling Per Capita Gallons All Years

The figure 8 map above displays total gallons of paint collected from 2015-2021 per capita in each Colorado county. Rates were collected by dividing the total gallons collected in each county for every year of the program by the county population. The rate is rounded to the nearest hundredth decimal place. Population is sourced from the US Census Bureau 2020 data.

CDPHE Recommendations

PaintCare is generally operating in accordance with the program plan and the act. Based on a review of PaintCare's 2021 Annual Report, the division has the following recommendations:

1. Invest additional resources and funding into education, outreach, and advertising to:
 - a. increase the number of people (43% in 2021) who know about paint recycling services in Colorado, and
 - b. bring the reserve balance back within the reserve policy range set by PaintCare.
2. Recruit additional sites to meet the geographic requirement regarding urbanized areas, or expand the door-to-door collection program.
3. When the reserve balance is above the maximum threshold (125%), the balance should not be utilized for investment.
4. Provide collection events in communities that are beyond a 15 mile radius of existing permanent collection sites that did not have paint collection in 2021.



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Statute: Senate Bill 14-029, 25-17-401 C.R.S