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2023 Status of the Colorado Paint Stewardship Program

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COLORADO
Department of Public
Health & Environment



Executive summary

The Colorado Paint Stewardship program (PaintCare) set an all-time record in 2023 for an annual paint recovery rate of 6.1 percent, as measured by comparing the gallons of unused paint collected with the gallons of paint sold. Year over year, paint collection quantities increased by over 1,000 gallons in 2023, while paint sales decreased by over 687,000 gallons.

For the third year in a row, PaintCare finished with a reserve balance less than the year before at \$6.1 million, down from \$7.3 million in 2022. In 2023, the reserve balance continued its downward trend, while staying within the reserve levels set by the PaintCare Board of Directors at 77 percent, a decrease from 98 percent after 2022. A [data dashboard with program information and statistics](#) is also available on the Colorado Department of Public Health and Environment website.

2023 highlights

- PaintCare collected 807,872 gallons of postconsumer paint.
- Consumers in Colorado bought 13.2 million gallons of paint, yielding over \$6.3 million in fee revenue.
- The program spent approximately \$7.9 million. In total, PaintCare has accumulated a surplus of approximately \$6.1 million, which equates to a 77 percent reserve balance.
- The processing cost per gallon increased from \$9.21 in 2022 to \$9.82 in 2023.
- PaintCare serviced 67 paint collection events and provided 223 direct large-volume pick-ups.
- There are 205 year-round, permanent drop-off locations throughout Colorado.
- 96.2 percent of Coloradans live within a 15-mile radius of a permanent drop-off location.
- PaintCare supplemented the density criteria by providing 3,817 door-to-door collections in underserved urban areas (Colorado Springs and Denver Metro).
- PaintCare offered paint for reuse at most drop-off events.

Program overview

On July 1, 2015, a paint stewardship program was established in Colorado, per Senate Bill 14-029, the Architectural Paint Stewardship Act (the Act). The Act allows for a stewardship organization to manage the end-of-life of paint.¹ PaintCare is the non-profit organization selected to manage unwanted paint. Fees on new paint sales fund the end-of-life management of unused paint.

The Act specifies that PaintCare must establish convenient sites for consumers to drop-off unused paint. Once paint is collected, facilities must manage paint using best environmental and economic practices, as noted in the disposal hierarchy (Figure 1).

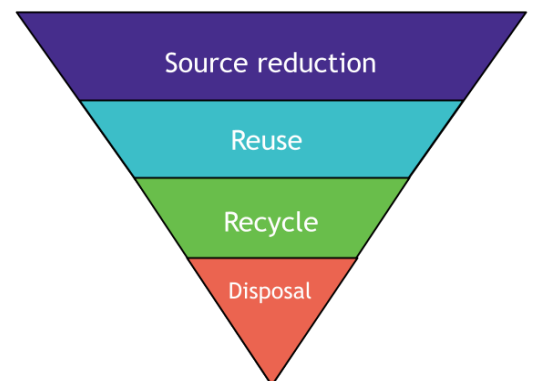


Figure 1: Disposal hierarchy

¹ The Act covers architectural paint, meaning interior or exterior architectural coatings sold in a container of five gallons or less. A full list of accepted items is available at: <https://www.paintcare.org/products/>

The PaintCare program increases consumer opportunities to properly manage leftover paint. The program also provides cost savings to household hazardous waste programs. Before the start of PaintCare in 2015, household hazardous waste facilities with paint take-back programs incurred the associated costs. Now, fees from paint sales fund collection programs at household hazardous waste facilities.

The Hazardous Materials and Waste Management Division (the division), within the Colorado Department of Public Health and Environment (the department or CDPHE), ensures PaintCare follows all aspects of the Act and the approved program plan. 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.).

With 13.2 million gallons of new paint sold in Colorado in 2023, Paintcare collected 807,872 gallons of unwanted paint in the same time period. The division's [PaintCare data and statistics website](#) shows how this unwanted latex and oil-based paint is processed (under the Paint Processing tab).



Figure 2 below illustrates the roles and responsibilities between PaintCare and the department.

Figure 2. 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

Reporting and program data

The division created a [data dashboard for stakeholders to view program performance](#). The program continues to see increases year-to-year in a number of categories, including the recovery rate, gallons collected, and number of year-round drop-off sites. At 6.1 percent, 2023 had the highest recovery rate since the beginning of the program in 2015. The recovery rate is due to a historic peak in paint collected and the lowest paint sales since the program's creation. Paint collection reached over 807,000 gallons for the first time, while paint sales continued to decrease to under 13.2 million gallons, which is a continued downward trend since 2020's unprecedented jump in sales. The number of year-round drop-off sites continues to see a steady increase, with nine new sites added in 2023, for a total of 205 sites.

PaintCare serviced 67 collection events, which is a 15 percent increase from 2022. PaintCare also provided 223 large volume pickups, an 11.5 percent increase from last year.

Other highlights are illustrated in the “Paint Processing” data tab of the [data dashboard](#). Collection of latex paint has generally increased since the start of the program, while oil-based paint has trended downward. Latex paint recycling and disposal totals increased, but the percentage stayed the same, while alternative daily landfill cover slightly decreased. For oil-based paint processing, incineration decreased by 10 percent, to 16 percent in 2023, while energy recovery increased by 6 percent, to 77 percent.

Since 2022, the reuse of latex and oil-based paint has increased by 1 percent and 4 percent, respectively. In recent years, PaintCare has begun offering high-quality leftover paint for reuse at a majority of their collection events at no cost, rather than transporting it to processing facilities. Not only does reusing paint sit higher on the waste-handling hierarchy (Figure 1) than recycling, but it also provides an opportunity for under-resourced communities to receive free paint.

A notable change this year was the significant decrease in the surplus balance. At the end of 2023, PaintCare had an accumulated surplus of \$6,123,017, after receiving \$6,300,542 in fee revenue and spending \$7,933,827 on program expenses. 2023 is the third year in a row in which the PaintCare surplus amount decreased, bringing the reserve level down to 77 percent of their annual expenses.

Final paint disposal

Waste haulers, who contract with PaintCare, collect paint at drop-off locations for processing and provide transportation services to PaintCare in various capacities. These haulers include:

- ACT Enviro
- Clean Harbors
- GreenSheen Paint
- Southern Colorado Services & Recycling
- Veolia Environmental Services
- Waste Management Curbside

Most latex paint processing and recycling occurs in Colorado. GreenSheen, in Denver, recycles a majority of the latex paint. Southern Colorado Services & Recycling, located in Pueblo, also recycles latex paint, but in much smaller quantities. Unused oil-based paint primarily goes to facilities outside of Colorado, where it is used for energy recovery or incineration.

PaintCare Nationwide

PaintCare operates programs in 10 states and Washington D.C. The two most recent states to pass legislation for paint stewardship are Illinois and Maryland, which will bring that number to 12 states plus Washington D.C. PaintCare programs vary from state to state, as displayed in the [data dashboard in the "State comparison" tabs](#). A trend that is true for not only Colorado, but a number of established state

programs, is that there are less gallons being sold (CA, CT, DC, MN, OR, and RI), and program costs are increasing, while reserve levels are decreasing (CA, DC, MN and VT).

Financial audit, reserve policy and surplus funds

Under the Act (25-17-405(3)(VII)), PaintCare must submit an annual audit with their annual report to the department. PaintCare used Rogers & Company PLLC, an independent certified public accounting firm, to conduct this year's audit. In the firm'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, 2023.

Each year, PaintCare places surplus funds in reserves for future use. The Board of Directors for PaintCare sets their own reserve policy, with a minimum and maximum surplus amount. PaintCare currently has a target reserve of 100 percent of annual expenses, with a lower and upper threshold of 75 and 125 percent, respectively. PaintCare has increased this target reserve and range since 2015. Originally, the program had a target reserve of 50 percent, with a range of 16 to 75 percent. The reserve allows PaintCare to continue operations during times of either higher-than-expected paint collection or lower-than-expected paint sales. As noted, PaintCare ended 2023 with a 77 percent reserve balance, down from 98 percent in 2022. PaintCare has stated the housing market is a good indicator for paint sales. High interest rates mean less paint being sold.

Several factors contributed to the reserve balance decrease, including but not limited to:

- Historically-low paint sales and historically-high paint collection rates,
- Increased program costs, and
- PaintCare's door-to-door collection programs in Colorado Springs and Denver Metro Areas had their second full year of operation and still remains a popular program, with 3,817 pickups in 2023.

PaintCare's three-year projections estimate the reserve level will continue to decline each year, reaching 22 percent in 2026. The division will continue to monitor this balance and work with PaintCare to ensure program fees align with program costs.

Outreach

PaintCare's outreach targets retailers, painting contractors, municipal agencies, and the general public. PaintCare does this through advertising and direct contact. Examples of outreach materials are available at [PaintCare.org](https://www.paintcare.org). Due to 2022's reserve decrease and increased expenses, PaintCare decreased 2023 spending on communications and outreach by about \$90k. Spending on outreach acts as one of the primary methods that PaintCare can use to impact the collection of paint.

You can find PaintCare's annual consumer survey in Appendix D (page 136) of the [2023 PaintCare report on PaintCare's official documents page](#). 2,783 surveys were conducted in nine states and Washington D.C, with 259 surveys completed in Colorado. The survey results indicate that 33 percent of Coloradan respondents knew that paint can be recycled. This was a decrease from 45 percent the previous year, but two percent

higher than all state programs. This decrease could be due to the education budget cuts, as previously noted.

Geographic requirements

To ensure equitable collection opportunities, the Act names three geographic requirements for PaintCare:

1. There must be a permanent (i.e. year-round) drop-off site within a 15-mile radius of at least 90 percent of Colorado residents.
2. For urban areas² an additional permanent drop-off site must be provided for every 30,000 residents.
3. PaintCare must provide paint collection events for residents who live outside the 15-mile radius of permanent collection sites at least once a year.

Currently, 96.2 percent of residents live within 15 miles of a permanent drop-off site, exceeding the 90 percent requirement. When including supplemental sites, the number increases to 97.7 percent. To meet the second requirement pertaining to urban areas, Colorado Springs needs six more sites, which has increased since 2022. The Denver-Aurora metro area needs 24 sites, which is a decrease of six since 2022. To address this disparity for the past three years, PaintCare is providing a supplementary door-to-door pick up 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. In 2023, the service provided 3,817 door-to-door pickups, a decrease from 5,121 pickups in 2022. Maps of the sites and services available in 2023 can be found on pages 19-22 of the [2023 PaintCare annual report on PaintCare's official documents page](#).



² The Census Bureau has replaced the term “Urbanized Area” with “Urban Area.” Urban area: a statistical geographic entity consisting of a densely settled core created from census blocks and contiguous qualifying territory that together have at least 2,000 housing units or 5,000 persons. While the Act (25-17-404(2)II) states “urbanized area,” the department will honor “urban area” as the updated terminology.

CDPHE recommendations

PaintCare is generally operating according to the program plan and the Act. Based on a review of PaintCare's 2023 Annual Report, the division has the following recommendations for PaintCare:

1. Provide collection events in communities that are beyond a 15-mile radius of permanent sites, prioritizing 1) disproportionately-impacted communities, which can be identified using the [Colorado EnviroScreen](#) mapping tool, and 2) communities that did not have paint collection events in 2023.
2. Continue recruiting additional sites, to meet the geographic density requirement in the two underserved metro areas of Colorado Springs and Denver, and maintain the door-to-door collection program until the geographic requirements are met for those areas.
3. Monitor reserve levels and provide financial updates to CDPHE at the bimonthly check-in meetings, including any program plan fee assessment changes. Provide ample time for stakeholder engagement work, if changes with the fee assessment becomes necessary.
4. Maintain paint reuse programs at events and expand paint reuse opportunities where possible.



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