

Proposal to Advance Funding and Expand Recycling at CU

Organizational Information

This project will research and recommend funding mechanisms and advance the planning for an expanded recycling facility. It will be implemented through the Student-Administration Partnership.

Primary Contact

Jack DeBell, Program Development Director for CU Recycling will serve as primary contact for the project and will work closely with Ed von Bleichert and Ron Reid in Facilities Management and a designated planner within Facilities Planning.

Project Description

The project has two main goals:

- 1) Develop revised garbage, recycling, or combined rates that are equitable, cover costs, and encourage recycling. This will entail designing rate structures that will stimulate support from CU's administration to recover the revenues required to fund a sustainable garbage and recycling system on the Boulder Campus.
- 2) Project Initiation and Concept Development Phase for a relocated recycling facility. This will entail developing a general understanding of the proposal in ways that officially inform and enlist involvement from campus decision-makers. There are eight steps that constitute the beginning of the formal process to relocate the IPF. These are described in the project scope.

Project Scope and Timeline

Before expanding recycling at CU, financial barriers that currently prevent increased diversion must be addressed. Although the Business Review of Recycling Activities in 2003 along with subsequent analyses by the Recycling Financial Advisory Board verify that diversion is less expensive than landfilling, there are no financial incentives for recycling or mechanisms to return net savings to fund educational programs, equipment or facilities. This will continue to be a significant obstacle to any future diversion programs.

Skumatz Economic Research Associates (SERA) will be hired as an independent consultant to research and recommend rate structure revisions and other funding mechanisms. Specific activities over an estimated six week timeframe include:

- Review current rate designs for each of the key customer subgroups at the University (housing, etc.), and meet with University staff to understand the structure and rationale.
- Work with staff to develop and review estimates of the cost of providing current and planned services, including garbage, recycling, and programmatic / education services. Identify those factors that are fixed vs. those that vary with tonnage and other factors.
- Work with staff to identify new budget items that will need to be covered by rates (potentially including replacement funds, etc.), and examine the sufficiency of current rates to cover revenue requirements.
- Work with CU to investigate the limitations of any billing mechanisms and the effects that may have on feasible rate designs.
- Identify options for the structure of rates that will provide advantages in key objectives – potentially: improve equity, increase incentives for recycling, assure sufficient funds to support recycling / reduction programs, improve efficiencies, and other priorities.
- Assess pros and cons associated with each proposed option, and develop recommendations for review by CU.

After funding mechanisms have been identified, the formal process of relocating an expanded recycling facility can begin. The following eight steps comprise the Project initiation and Concept Development Phase for Capital Projects. The average length of time that capital projects have spent in this phase is seven months. However, analysis already completed by Facilities Planning and the Recycling Financial Advisory Board along with provisions in the Campus Master Plan and the Athletic Department's Micro Master Plan may help expedite portions of this process.

Step 1: Project Initiation

The concept is evaluated in terms of the unit's strategic objectives, the CU-Boulder Strategic Plan, and the Campus Master Plan. A description of the basic concept, in writing is taken to UCSU Finance Board, Facilities Management's director, and vice chancellors Stump and Tabolt.

Step 2: Concept Development

A list of important considerations are discussed and various scenarios are considered that examine:

- Description of the project (relocation to a new building)
- Justification (need, urgency)
- Scope (programs, size)
- Fit (location, Master Plan considerations, adjacencies)
- Cost Range (budget, source of funds)
- Schedule (time and activity milestones toward implementation)
- Approval (endorsements needed)

Step 3: Feasibility Study

A 7 to 10 page white paper conforming to a specific outline needs to be prepared by the Project Initiator and Facilities Planning staff. Portions of study dealing with programmatic need and mission are generally written by CU Recycling while facilities portions are written by Planning staff. When the cost model has been developed, Facilities Planning will work with staff in the Vice Chancellor for Administration's office to develop a pro forma for the project

Step 4: Financial Feasibility Review

In this step, campus financial officers review the proposal to determine the likelihood of successful funding and make recommendations about financial aspects. Vice Chancellor for Administration staff and CU Recycling will schedule a meeting with Planning, Budget and Analysis staff and the Director of the CU-Foundation to discuss the financial aspect of the project.

Step 5: BCPC Presentation

A presentation is made to the Boulder Campus Planning Commission (BCPC) to provide public comments on the proposed project. The BCPC will provide a list of recommendations about the project for further consideration during the program planning phase. These recommendations will be forwarded to the Chancellor's Executive Committee.

Step 6: Chancellor's Executive Committee Presentation

The vice chancellor and the Executive Director of Facilities Management make a presentation to the Chancellor's Executive Committee (CEC) to provide administration level comment on the project.

Step 7: Fundraising Studies

Since an expanded recycling facility will likely rely on donor funds, amounts and potential sources

will need to be determined prior to proceeding with program planning. An architectural firm will be retained to create the renderings required for a fundraising campaign and a portion of the required donor commitment may need to be identified through a fundraising committee of the CU Foundation. Funds for architectural renderings are not included in this proposal but will be initially sought by civil engineering and architecture students.

Step 8: Pre-Program Planning Notification

Facilities Planning will notify university and State stakeholders that a capital development project has been authorized to enter program planning. There will be a meeting with the CU System's Budget Office Director, the Project Initiator, Facilities Planning staff, and CCHE staff to discuss the project.

Project Budget

Rate Structure / Design and Computation to Encourage Recycling

Principle consultant - 60 hours @ \$95

Technical assistant – 45 hours @ \$60

Subtotal = \$8,400

Project Initiation and Concept Development Phase

Subtotal = \$15,000

Total Project Budget = \$23,400

Environmental Impact

CU Recycling is already processing over 1,100 tons annually through the IPF. The results of the recent Diversion Potential Assessment however, indicate that over 450 additional tons of paper and containers could be recovered from CU's waste stream. With additional capacity in an expanded recycling facility, these additional recyclables would result in annual environmental benefits of over 6,800 trees, 24,000 pounds of air pollutants, 2.8 million gallons of water, 1.9 million kilowatt hours of electricity, and 1,200 cubic yards of landfill space. Recovering these recyclables would also boost CU's diversion rate from 27 percent to over 40 percent.

Quality of Life Impacts

CU's IPF has demonstrated an ability to augment students' educational experience. Dozens of class tours, and research projects have been provided through this "living laboratory". Creating the funding mechanisms for an expanded facility would only increase student's academic involvement in optimizing collection and processing of recyclables at CU. From a campus-wide perspective, there are considerable cost savings to be achieved if CU restructures charge rates and creates other funding mechanisms for recycling. These economic benefits can help the institution and would hopefully result in lower fees to students.

Fiscal Impact

The Business Review of Recycling completed in 2003 and follow-up studies done by the recycling Financial Advisory Board confirm that recycling at CU is less expensive than landfilling. There is still ample room for improvement that could result in savings of over \$150 for each ton of material diverted from landfills.

Project Longevity

This proposal effectively takes recycling to the next level at CU. Finally, funding structures can be identified and recommended that will serve as the "financial engine" that could build support among campus decision-makers to re-invest in recycling equipment and facilities. It is clear the students have made important, even decisive investments in recycling. With the successful completion of this project, the administration could find compelling reasons to do so also.