

Strategic and Financial Action Plan 2016



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Prepared for:

STAR Board of Directors and STAR Membership

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Introduction

The State of Texas Alliance for Recycling's (STAR) Mission is *to increase recycling rates to the highest level afforded by balanced economic and environmental sustainability principles, for the benefit of the State and the people of Texas*. STAR is a 501-C3 non-profit advocacy organization whose membership has approximately 300 people representing government, private industry, educational, and not for profit organizations that have an interest in advancing recycling in Texas.

The State of Texas Alliance for Recycling is governed by its' Mission, by-laws and Guiding Principles. The Board of Directors seeks to establish appropriate actions for the organization in fulfilling its Mission by periodically updating the Strategic Plan. STAR's previous Strategic Plan was created in 2008 and updated in 2012. The recommendations from 2012 have been largely implemented or addressed. The 2016 Strategic Plan seeks to capture the momentum built by the successful Texas Recycling Data Initiative, and the subsequent adoption of HB 2763 that directs the Texas Commission on Environmental Quality (TCEQ) to conduct the 2017 Study on the Economic Impacts of Recycling.

State of Recycling in Texas

There are real and quantifiable economic benefits of recycling and as a result, many recycling-based businesses are operating profitably in Texas. The Texas Recycling Data Initiative (TRDI), facilitated by STAR, was the first statewide study since the 1990s to capture the quantity of recycled materials at the Materials Recovery Facility (MRF) level. The TRDI study showed that more than 6.1 million tons of materials were recycled from Texas municipal solid waste sources in 2013, supporting more than 12,678 jobs.¹ This proves the real economic impact recycling has in Texas, but at the same time shows how much more can be recovered and would contribute to economic growth.

Other local and regional recycling studies show the same trend. A detailed economic impact study conducted by the City of Austin determined that the Austin MSA recycling activity in 2014 resulted in over \$700 million in output/receipts and provides over 2,600 jobs.² While a leader in recycling in Texas, Austin determined that there was still an opportunity to grow its recycling based business activity by over 50 percent to over \$1 billion and 4,200 jobs, according to the study's author.

¹ Texas Recycling Data Initiative: A Collaborative Effort to Measure Recycling; January 2015, Burns & McDonnell.

² The Current and Potential Economic Impacts of Austin Recycling- and Reuse-Related Activity; Spring 2015, TXP, Inc.

Total Current & Potential Impact of Austin MSA Recycling Activity (2014)

NAICS Codes	Output/Receipts	Earnings/Payroll	Employment
Manufacturing (3261, 327215, 3314)	\$105,075,647	\$21,080,902	464
Wholesale (423140, 423930)	\$534,424,333	\$45,817,140	1,036
Solid Waste Recovery (562111, 562920)	\$80,291,063	\$42,995,720	1,173
Current Total	\$719,791,043	\$109,893,762	2,673
Additional Manufacturing- Related	\$363,860,498	\$72,999,862	1,606
Potential Total	\$1,083,651,541	\$182,893,624	4,279

Source: TXP, Inc.

In 2013, SAIC Energy, Environment & Infrastructure, LLC (SAIC) was retained by the Houston-Galveston Area Council (H-GAC) to estimate the current and potential economic contribution of the recycling industry in the region. For the H-GAC region, recycling related industries contributed over 15,000 jobs and over \$3.3 billion in economic output for the supply related recycling industry.³

Texas as a whole has a recycling rate of approximately 19%. This figure includes construction & demolition (C&D) and yard debris which would indicate an even lower percent figure for recycling excluding C&D debris. The U.S. EPA estimates that the U.S. MSW recycling rate in 2013 was 34.4%, including yard debris. Inclusion of C&D debris would likely have made this figure higher. Given the difference in these estimates, there is a substantial amount of recoverable and marketable material remaining in the Texas waste stream that, if captured, could result in substantial additional economic output and jobs. Recognizing the need to more accurately determine this missed economic opportunity, the Texas legislature in 2015 passed HB 2763 enabling the TCEQ to analyze the state’s current efforts by conducting a study on the Economic Impacts of Recycling. The study is expected to be completed in 2017.

While urban areas have basic residential recycling infrastructure largely in place, recycling infrastructure is lacking in rural areas, for many multi-family residents, and for many commercial and institutional establishments. Even when recycling infrastructure is present, participation and materials capture rates are lagging. There is a need for greater public awareness of recycling opportunities and benefits, and a need for incentives to increase recycling participation. In addition, there are materials in the waste stream that pose public and environmental health concerns that are in need of better waste management infrastructure, i.e., pharmaceuticals, electronics, and household hazardous waste.

³ The Economic Contribution of the Recycling Industry to the Houston-Galveston Region; May 2013, SAIC, Inc.

Economics of Recycling: Market-Driven System

Recycling end markets are volatile in Texas, as they are globally. When commodity prices are depressed it creates financial pressures for processors as well as local governments – especially those which structured their contracts and budgets with the assumption that pricing would remain strong. Recycling program operators are searching for means of addressing budget constraints while keeping recycling services affordable.

While in some areas of the United States, policies have been passed to create such infrastructure and related programs, Texas lags behind many states with respect to adoption of such policies. Landfilling is still relatively cheap in Texas, and recycling is still regarded by many as an optional public service. When market value for recyclables is low, questions arise about the validity of recycling. At the same time, companies and governments across the globe work to address climate change and how to transition to a circular materials economy in which material resources are continuously recaptured for ongoing use and do not leave the system as waste. Many local governments as well as corporations are developing zero waste plans and implementing broader sustainability strategies. These organizations recognize recycling, recycling-related infrastructure, and enterprises as essential to transitioning to a circular economy.

STAR's Mission and Vision

The mission of the State of Texas Alliance for Recycling (STAR) is to **increase recycling rates to the highest level afforded by balanced economic and environmental sustainability principles, for the benefit of the state and people of Texas.**

It is our vision that Texas becomes a state in which:

- Access to recycling and composting opportunities is universally available, whether at home or away from home;
- The transition to a circular economy is supported through advancing recycling and beneficial use and reuse of materials in Texas;
- Recyclable and compostable materials are captured in a clean and marketable form;
- End markets exist to consume the recovered materials in making new products;
- Safe and reliable infrastructure exists to manage special waste items such as electronics, paint, and pharmaceuticals; diversion from landfills of these special wastes is encouraged; and product stewardship captures these materials in the circular economy, where appropriate;
- Texans are informed about these opportunities and motivated to recycle;
- Recycling professionals receive the information and training they need to be successful in their respective roles;
- Policy and financing mechanisms are in place to support recycling expansion in a way that reflects sustainability principles and is supported by industry and government alike;
- The economy prospers and jobs are created as a result of recycling based business activity;
- The environment thrives through resource conservation as well as through the proper management of potentially hazardous materials.

STAR Strategic Plan

The STAR Board of Directors, with member input, has identified strategies to guide the work of STAR in support of achieving the Mission and Vision.

Enhance Recycling Infrastructure

STAR will continue to support recycling infrastructure development in order to improve access to recycling opportunities in Texas. STAR's role here will be largely to support the work of STAR member organizations who are more directly engaged in infrastructure development. Current strategies planned are as follows:

- a. Continue working with the state and other stakeholders to gather data and monitor recycling system performance in Texas and identify opportunities to address system gaps and deficiencies.
- b. Work with STAR councils, and in partnership with other organizations, to assist smaller and more rural communities, multi-family residents, schools, commercial and institutional establishments, and public places in developing and expanding recycling programs and infrastructure.
- c. Establish regional workgroups and committees to address specific infrastructure needs and issues.

Enhance Recycling Market Development

Recycling requires end market demand for recovered materials, and healthy and viable recycling based businesses in Texas are central to STAR's mission. There is ample opportunity for developing additional end markets to consume selected recyclables generated in Texas, as well as other states. Recycling based businesses provide jobs and tax revenues in addition to consuming materials that might otherwise be wasted. STAR will continue to promote the growth of recycling within the State of Texas, while showing the economic benefits associated with recycling. The following strategies have been identified in support of recycling market development and enhancement:

- a. Promote businesses that use recycled content for their products and help bring more manufacturing business into the state and region; encourage markets to develop in Texas.
- b. Promote not only the importance of recycling, but the economic benefits and "success stories" associated with this important activity from a financial and business perspective.
- c. Encourage public entities to implement environmentally preferable purchasing policies.
- d. Encourage the development of a Texas recycling businesses directory to connect generators/processors/end users of recovered materials and map material demand throughout the major metropolitan areas in the state.
- e. Document findings in TCEQ's 2017 Study on the Economic Impacts of Recycling that support recycling and the use of those recycled materials in the creation of collection, processing, and manufacturing jobs.

Promote Recycling to the Public

Successful recycling requires active participation on the part of individuals throughout Texas. STAR will work to improve the outreach and promotion capabilities of Texas recycling professionals and to support best practices with respect to communicating how, what and why to recycle. Strategies planned for STAR implementation include:

- a. Promote standardization of recycling messages, including promotion of a common set of materials for collection and industry recommended descriptions of those materials targeted for recovery.
- b. Identify and communicate jobs creation and economic benefits of recycling to encourage investment in recycling, boost recycling participation, and support STAR policy advocacy work.
- c. Utilize the STAR website as a resource for STAR members and others to find best practices information, while highlighting recycling business and community program successes.
- d. Continue to promote the economic impact of recycling for the State of Texas. A key mission of STAR is to promote the continued growth of recycling within the State of Texas, while showing the economic benefits associated with recycling.

Emphasize Policy Advocacy

Policies that support increased recycling are common to all states and local governments that have high recovery and recycling rates. Many such policies meet with broad stakeholder approval given the important role that recycling plays in the economy and meeting waste diversion goals. STAR intends to be active both at the state and local level in supporting policies that provide for recycling system improvements and provide incentives for increased materials recovery and recycling. Proposed policy advocacy strategies are as follows:

- a. Advocate for increased funding allocated through state grants programs and other sources of funding identified in TCEQ's 2017 Study on the Economic Impacts of Recycling to support recycling and sustainable materials management planning.
- b. Support and promote regional and local policy strategies to increase recycling (e.g., PAYT, universal collection) by facilitating information sharing and best practices on successful local policy; support STAR members by providing resources or testimony for local issues if requested.
- c. Advocate for data reporting requirements to better monitor recycling progress and activities in Texas.
- d. Monitor state legislative activity and promote state policy development as deemed appropriate by STAR membership.
- e. Advocate, and continue to educate, concerning the benefits and importance of product stewardship.

Encourage Professional Development and Capacity Building

Effective recycling systems depend on a workforce armed with up-to-date information. Central to the work of STAR is providing opportunities for STAR members, and Texas recycling professionals in general, to exchange information, receive training, and learn about best management practices. Strategies supporting this objective are listed below:

- a. Strengthen and enhance STAR's annual Texas Recycling Summit and other networking/educational events for industry representatives.
- b. Identify and distribute best management practice tools for reuse, recycling, and materials management.
- c. Continue hosting educational webinars for STAR membership and other participants as appropriate.
- d. Continue with the STAR Master Composter training and compost facility operator training (Compost Summit).
- e. Host periodic topic- specific regional workshops and/or trainings.

STAR's Financial Action Plan

The Board of Directors, staff, and STAR members must understand and support the actions needed to successfully implement the Strategic Vision. It is important that the achievement of these strategies be done in a fiscally responsible manner, ensuring the long-term financial integrity of STAR.

- I. **STAR provides opportunities and value to STAR members through direct participation in STAR Regional and Topical Councils**
 - a. Active STAR Councils are a critical component to growing an organization's membership with a variety of recycling based interests. The councils should provide networking, educational, and participatory opportunities that provide value to STAR members. Members are encouraged to join and participate in as many councils as they wish.
 - b. Leadership roles in Regional and Topical STAR Councils provide an opportunity for STAR members to take ownership of initiatives to grow their respective STAR Councils. Additionally, leadership roles at the regional level provide invaluable training for those STAR members interested in a STAR Board of Director role.
- II. **The development of a Business Council will engage business stakeholders in STAR activities**
 - a. Texas has many large businesses and organizations with corporate and regional headquarters within the State of Texas. It is essential that organizations that are vested in advancing recycling and creating/enhancing the circular economy be engaged as active members and sponsors of STAR, to enable STAR to have a stronger voice and capability to influence program and policy development in support of these objectives.

- b. Establishment of a successful Business Council will assist the STAR Councils as members within the business community that join STAR will find shared interests and opportunities for collaborative action with the various STAR Councils that align with their core business values.

III. The Summit is the premiere annual event for STAR and for recyclers in Texas

- a. The Summit is perceived as the premiere recycling conference in Texas for local governments and businesses. While there is competition from other conferences, it is essential that STAR continue to grow the event so that both governmental entities and businesses see the need to attend as a required element within their training and corporate marketing budgets.
- b. Two key components to the Summit being a “success” is the need to grow the number of exhibitors, as well as the number of attendees. By developing a STAR Business Council (see Financial Action Plan – Item 2, above) STAR will increase both the number of exhibitors, as well as number of attendees.

IV. The STAR membership is strong and growing, representing the diversity of the recycling industry in Texas and beyond

- a. It is essential that records concerning membership (both for individuals and organizations) be clearly tracked and monitored. Building upon Items 1 and 2 listed above in the Financial Action Plan, continued growth in the organization will occur as STAR grows in stature.
- b. Over the next three-year period, a 5% growth in individual members, and 3% in organizational memberships will be the goal. A clear metric for a starting point of the number of individual and organizational memberships will be documented prior to the start of the next fiscal year (November 1, 2016) so a clear benchmark is in place.

V. STAR will be financially stable by diversifying funding sources and bringing in additional income through increased mission sponsorships

- a. Greater financial stability will be realized through securing more contractual and technical assistance work, instead of solely relying on donations or sponsorships from private industry.
- b. Movement toward a more diversified funding base will not only increase STAR’s long term sustainability, but it will also provide funding needed to support the implementation of key projects and activities aimed at achieving STAR’s mission.
- c. As shown in Item 4, growth in membership will enable growth in mission sponsorships as new organizations (with a primary focus on businesses) join STAR as members. After

representatives from these organizations become engaged as active STAR members they will most likely be receptive to becoming STAR mission sponsors.

VI. Smart partnerships and joint ventures at local, state and national levels will strengthen the mission and messaging of STAR

- a. As STAR continues to grow alongside an evolving industry, it will continue to explore whether potential partnerships or joint ventures with other organizations with a similar vision, will enhance STAR's overall mission. Where those partnerships are mutually beneficial, STAR will aggressively pursue and promote these teaming opportunities.

VII. STAR Board of Directors and Council Steering Committee members are accountable for fulfilling commitments of their time and for securing resources for the organization

- a. The Board Chair and Executive Committee, as well as Council Chairs and leadership, must emphasize to new leadership members the importance of fulfilling their commitment of time to serving as STAR leadership. They must make every effort at being present for Board Meetings, Committee meetings, and other functions as appropriate.
- b. Specific fundraising targets are to be set for the Board members, with considerations of government vs. private sector employees.
- c. STAR Councils must also be involved in fundraising, and ensure that they have a "positive cash flow," generating some level of funding to assist in promoting the STAR vision at the state level.