Reduced Rate Program

Overview of research and findings from reduced rate review project

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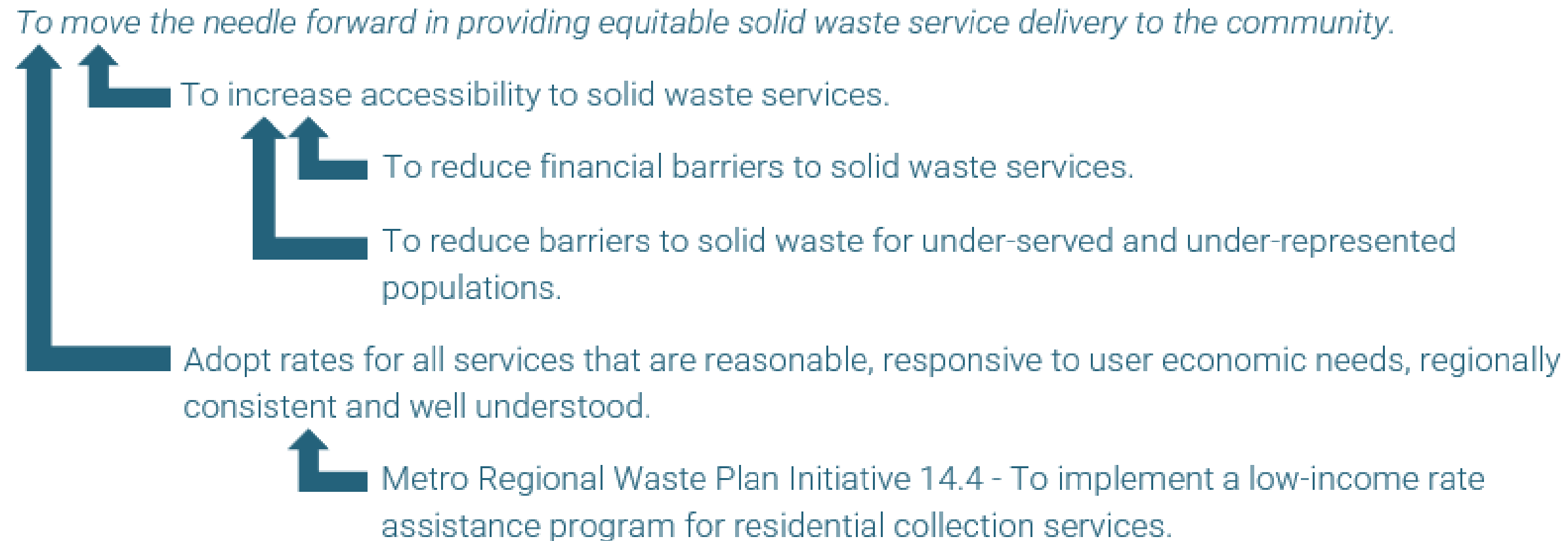April 14, 2022

Department of Health and Human Services

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Overview

- Project background and objectives

- Approach

- Success criteria and key questions

- Building the Model

- Model Review

- Program Structure
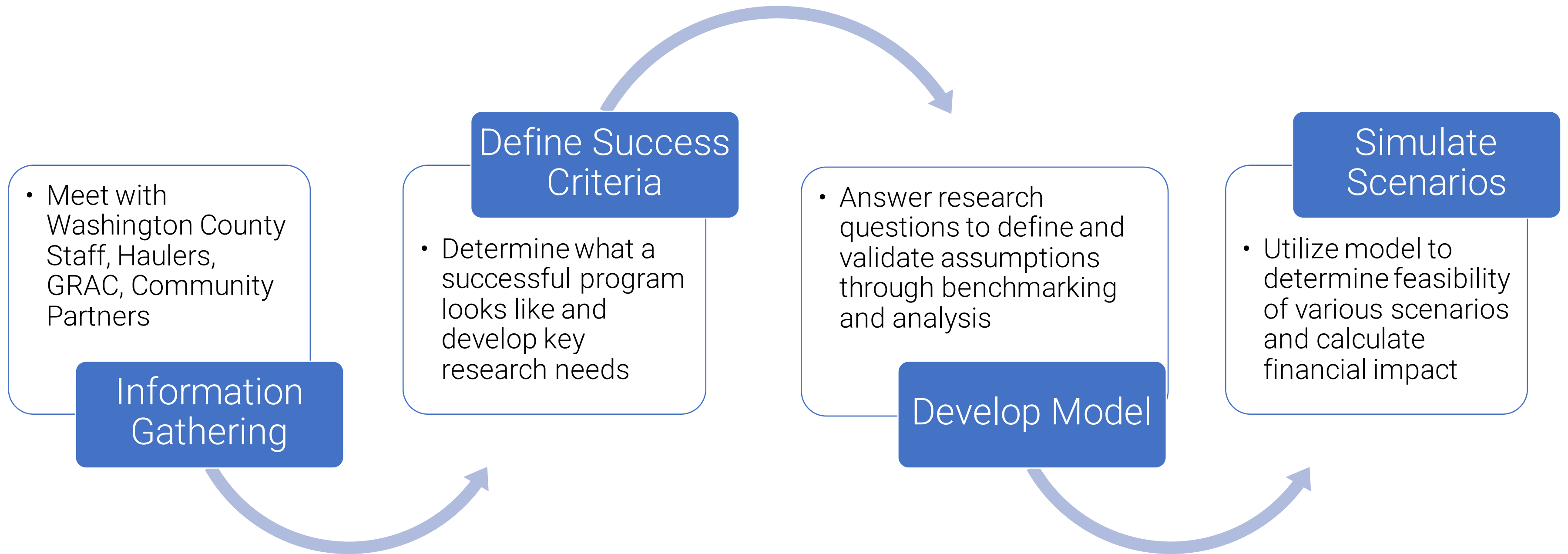
- Considerations and Next steps

To move the needle forward in providing equitable solid waste service delivery to the community.

To increase accessibility to solid waste services.

To reduce financial barriers to solid waste services.

To reduce barriers to solid waste for under-served and under-represented populations.

Adopt rates for all services that are reasonable, responsive to user economic needs, regionally consistent and well understood.

Metro Regional Waste Plan Initiative 14.4 - To implement a low-income rate assistance program for residential collection services.

Metro

2030 Regional Waste Plan

Equity, health and the environment

Approach

Information Gathering
- Meet with Washington County Staff, Haulers, GRAC, Community Partners

Define Success Criteria
- Determine what a successful program looks like and develop key research needs

Develop Model
- Answer research questions to define and validate assumptions through benchmarking and analysis

Simulate Scenarios
- Utilize model to determine feasibility of various scenarios and calculate financial impact

Success Criteria

Sustainable	S1 Funds itself
	S2 Is long term ("permanent", "structured", etc.)
	S3 Optimizes administrative time/costs
	S4 Established in partnership with Haulers
	S5 Is simple
	S6 Establishes built-in mechanisms for measuring performance
	S7 Provides a model for regional partners to follow
Equitable	EQ1 Benefits underserved and underrepresented communities
	EQ2 Provides the same level of service across rate tiers
	EQ3 Is accessible
	EQ4 Is easy to apply for
Effective	EF1 Provides assistance where it is needed (reaches the right audience)
	EF2 Provides meaningful assistance

Benchmarking for Eligibility

- Conditional eligibility optimizes administrative cost/time, is simple, is accessible, and is easy to apply for
- 185% of Federal Poverty Level is commonly used for local assistance programs and allows for conditional eligibility
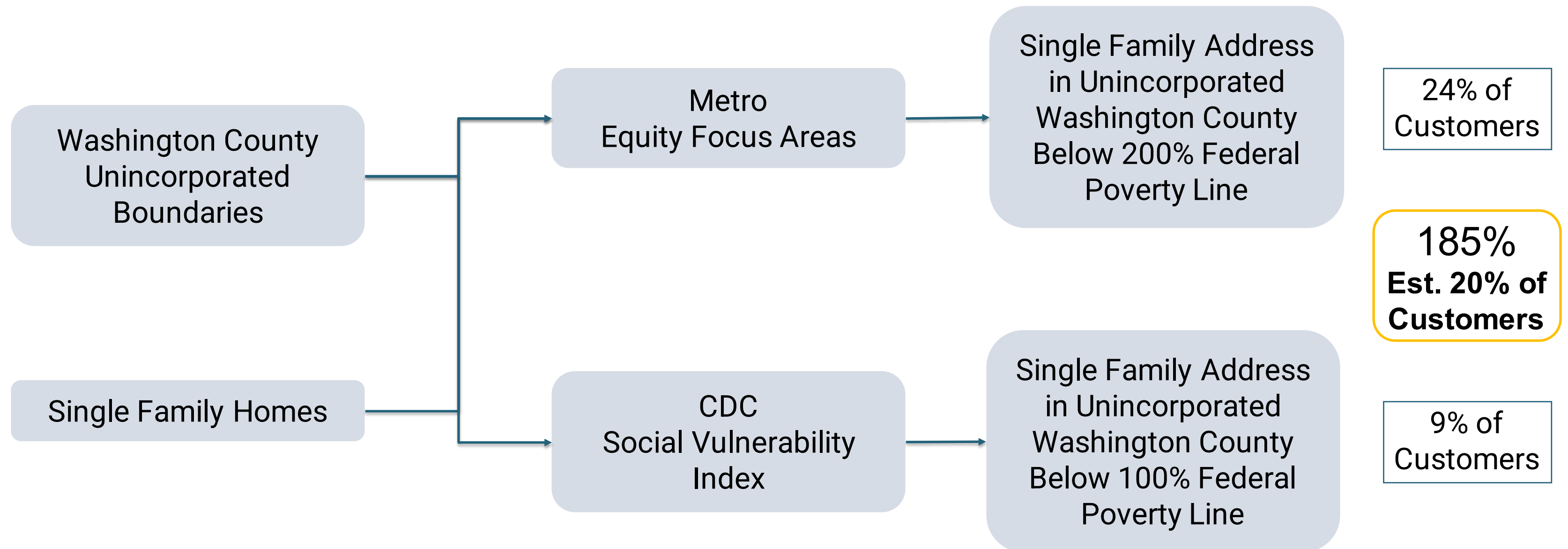
Proposed Eligibility

185% federal poverty level

	Low Income Definition						Eligible Program Enrollment Verification							
	60% State MI	50% Area MI	200% Fed Pov	185% Fed Pov	150% Fed Pov	137% Fed Pov	SNAP	TANF	LIHEAP	WIC	F/R Lunch	OHP/Medicaid	HUD	SSI
LIHWA	X													
HiLight				X			X	X	X	X	X	X	X	
Trimet			X				X	X	X	X	X	X	X	
TVWD	X			X			X	X	X	X	X	X	X	X
SNAP				X										
TANF						X								
LIHEAP	X				X		X	X						X
WIC				X			X	X				X		
OHP/Medicaid						X								
F/R Lunch				X		X								
HUD		X												

$49,025/year for family of 4

Building the Model – Eligible Customers

Washington County Unincorporated Boundaries

Single Family Homes

↓

Metro Equity Focus Areas → Single Family Address in Unincorporated Washington County Below 200% Federal Poverty Line

24% of Customers

185% Est. 20% of Customers

CDC Social Vulnerability Index → Single Family Address in Unincorporated Washington County Below 100% Federal Poverty Line

9% of Customers

Building the Model – Participation

Benchmarking for Participation Estimate

- Limited data available to estimate eligibility v. participation
- Hillsboro HiLight currently at 16.7% eligible customer participation
- TriMet Fare Assistance Program at approximately 10% eligible customer participation
- National Low Income Home Energy Assistance Program (LIHEAP) at 20% eligible customer participation

Estimate for Reduced Rate Program
15% at full maturity

Table 1. Number of Persons Eligible and Beneficiaries by Program, 2018

	Eligible (in millions)	Beneficiaries (in millions)	Participation rate
Medicaid/CHIP	77.0	57.8	75%
LIHEAP	72.2	14.5	20%
SNAP	64.4	40.9	63%
Housing assistance	51.1	11.0	22%
EITC	48.4	37.8	78%
Child support payments[5]	14.6	10.2	70%
CCDF	14.4	2.2	15%
SSI (age 18+)	11.8	6.9	59%
TANF	10.0	2.8	28%
WIC (age 0-4)	9.6	5.1	53%

Source: Estimates based on Current Population Survey Annual Social and Economic Supplement 2019, TRIM3 microsimulation model, administrative data, and Current Population Survey Child Support Supplement 2018. EITC participation is from the IRS.

Program Participant Savings
(Residential – 32 Gal)
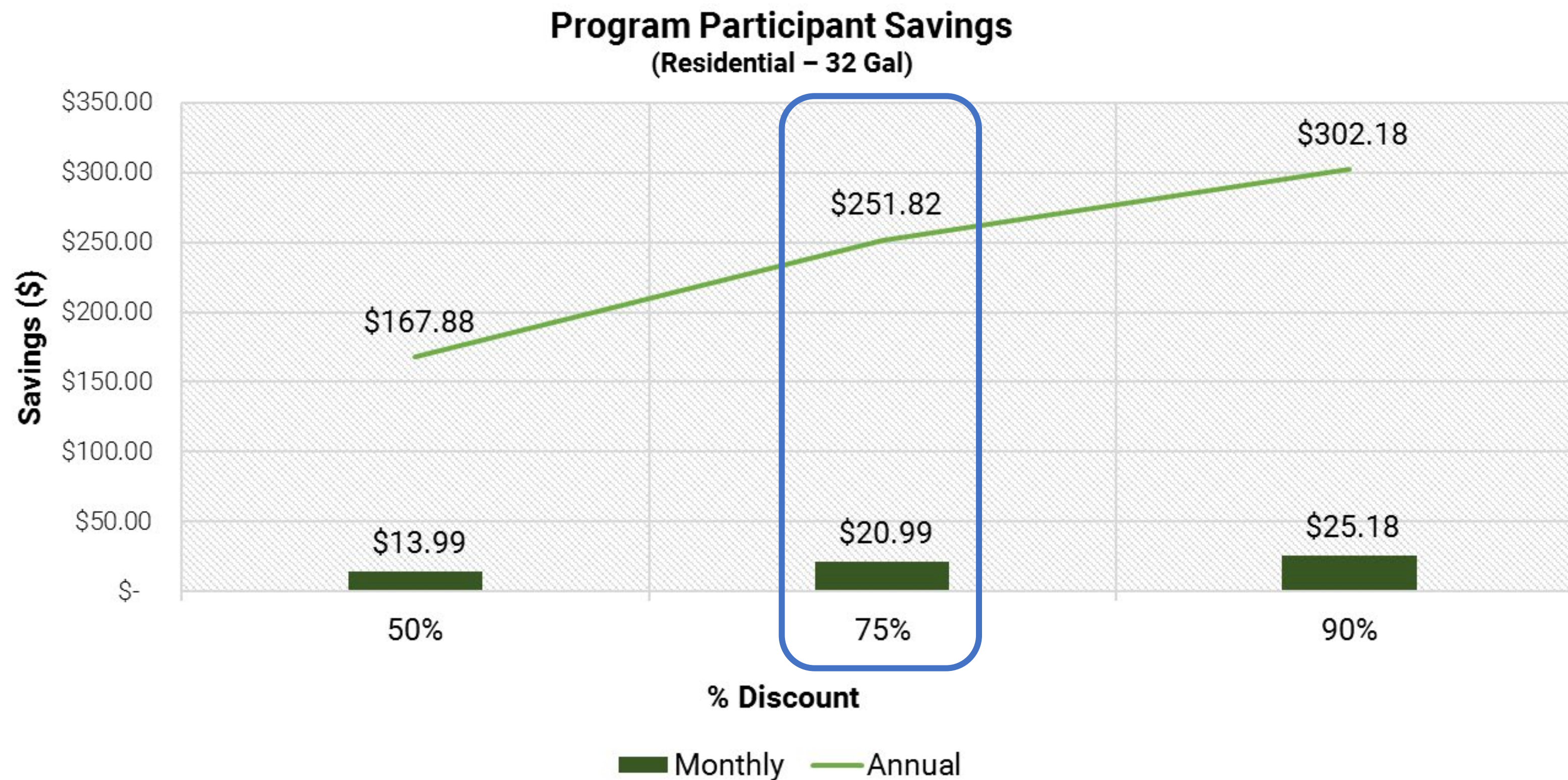
Model Review – Summary

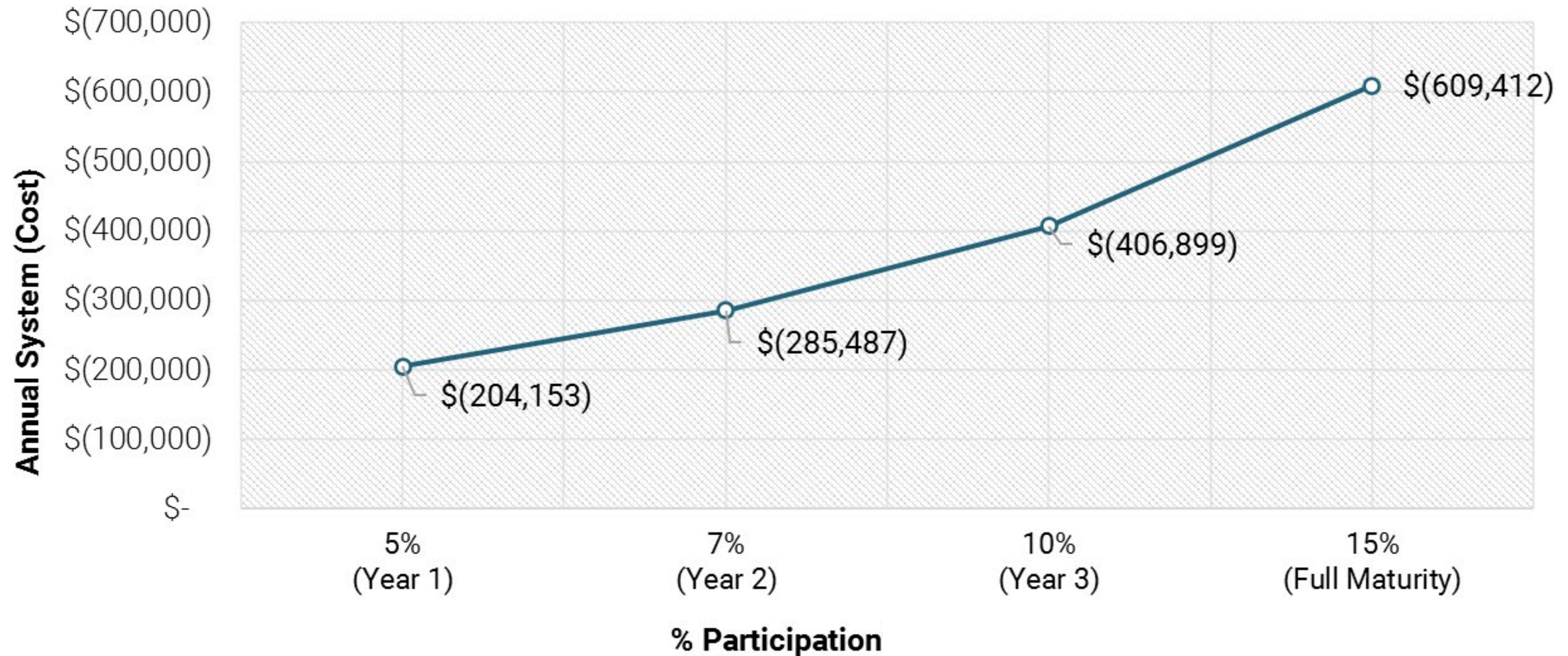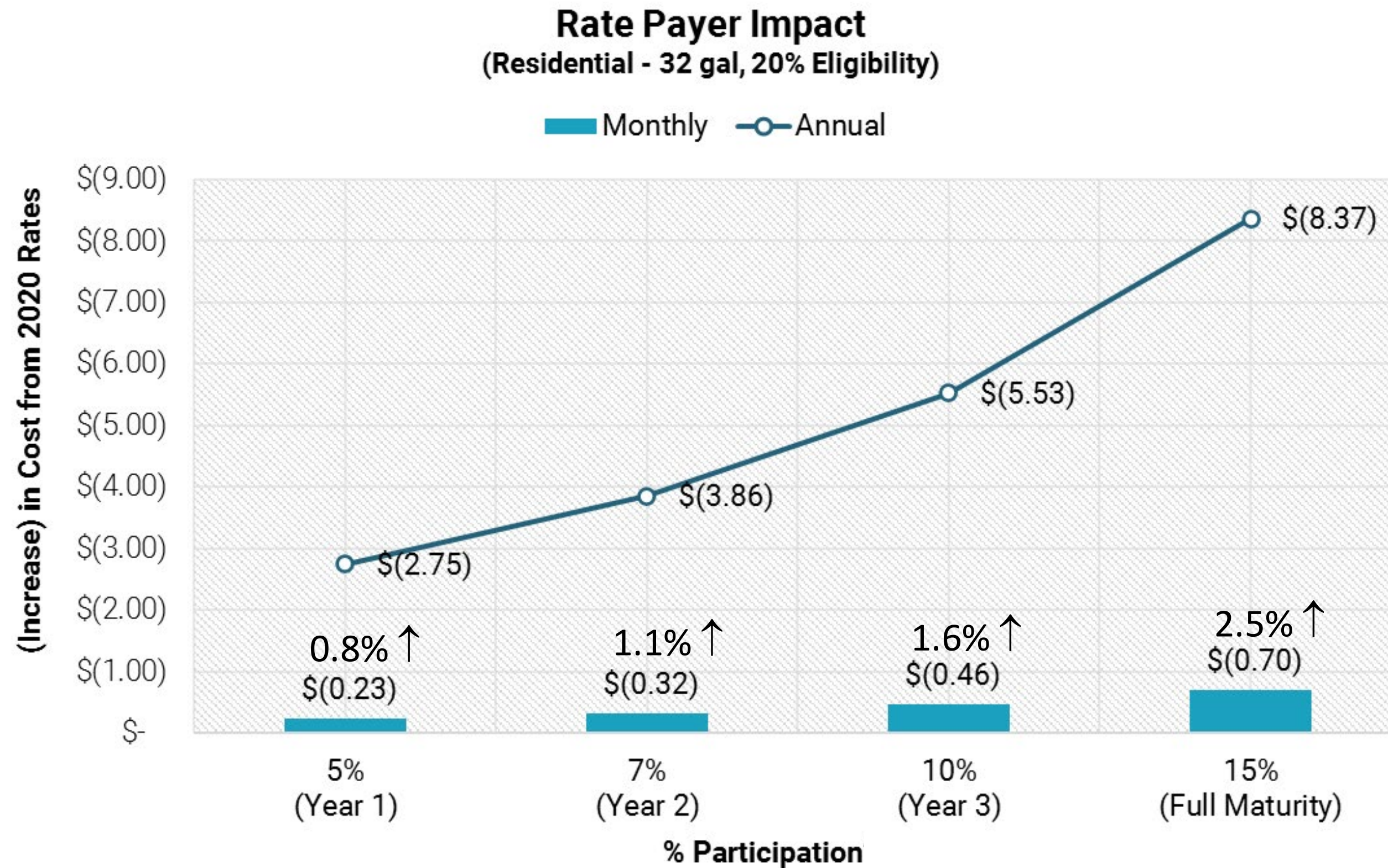| Model Simulation	Assumption	Source
% Participation of Eligible Customers for Years 1, 2, 3, 4	5%, 7%, 10%, 15%	Estimates based on benchmarking
Administrative Costs	Funded through existing franchise fee revenue stream	Estimates based on benchmarking, inquiries to community partners
Financial Impact to Washington County Solid Waste Collection System	Net Zero – some pay more, some pay less	Washington County Program Criteria
% Discount Offered to Program Participants	75%	Analysis prepared by Merina + Co.
% Eligible Customers	20%	Estimate for % Single Family households under 185% Federal Poverty level based on 2020 Census Data for 150-200% Poverty
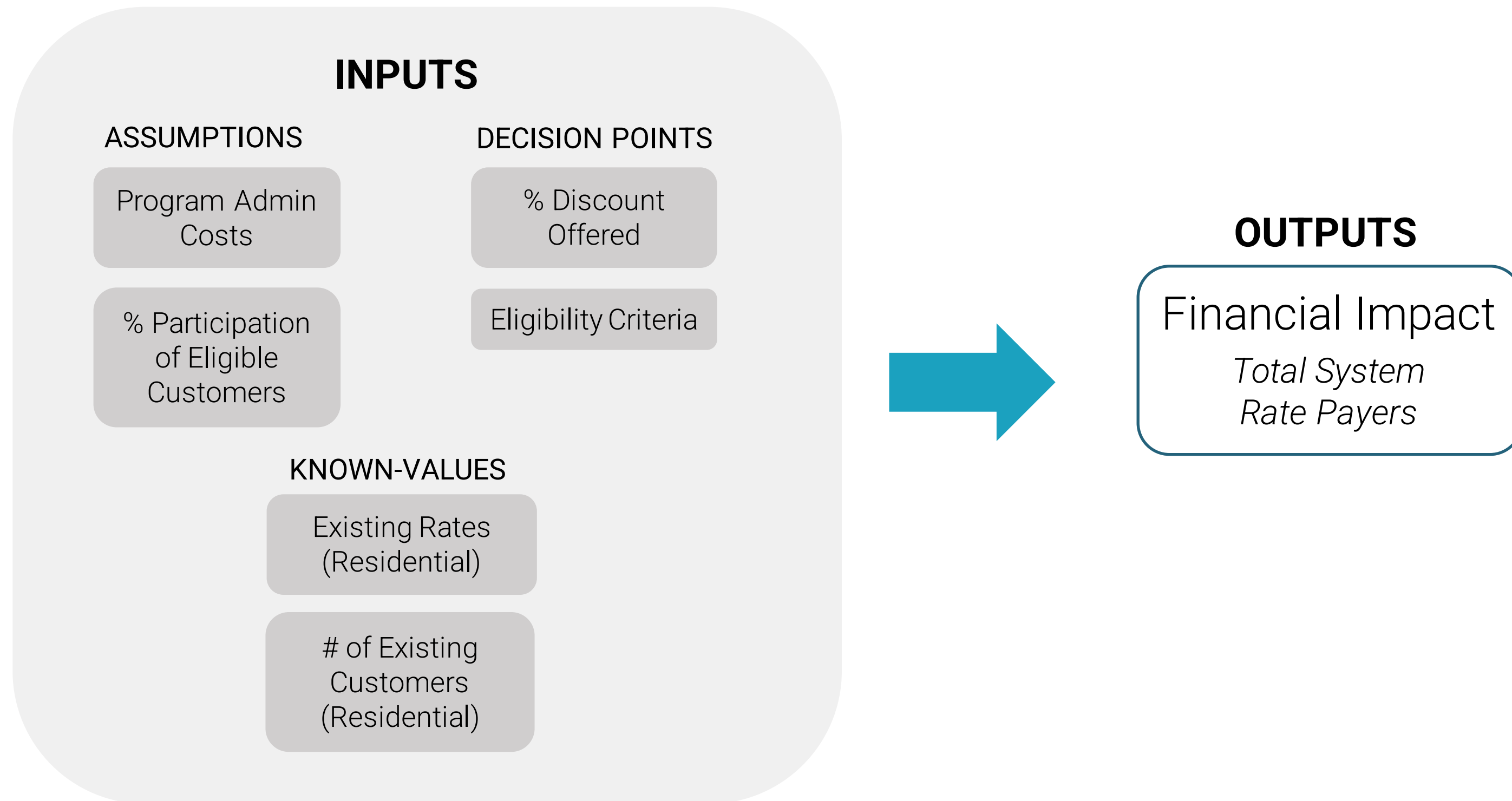
Model Output – Total System

Washington County Solid Waste & Recycling System Impact
(20% Eligibility, 75% Discount)

$(609,412)

$(406,899)
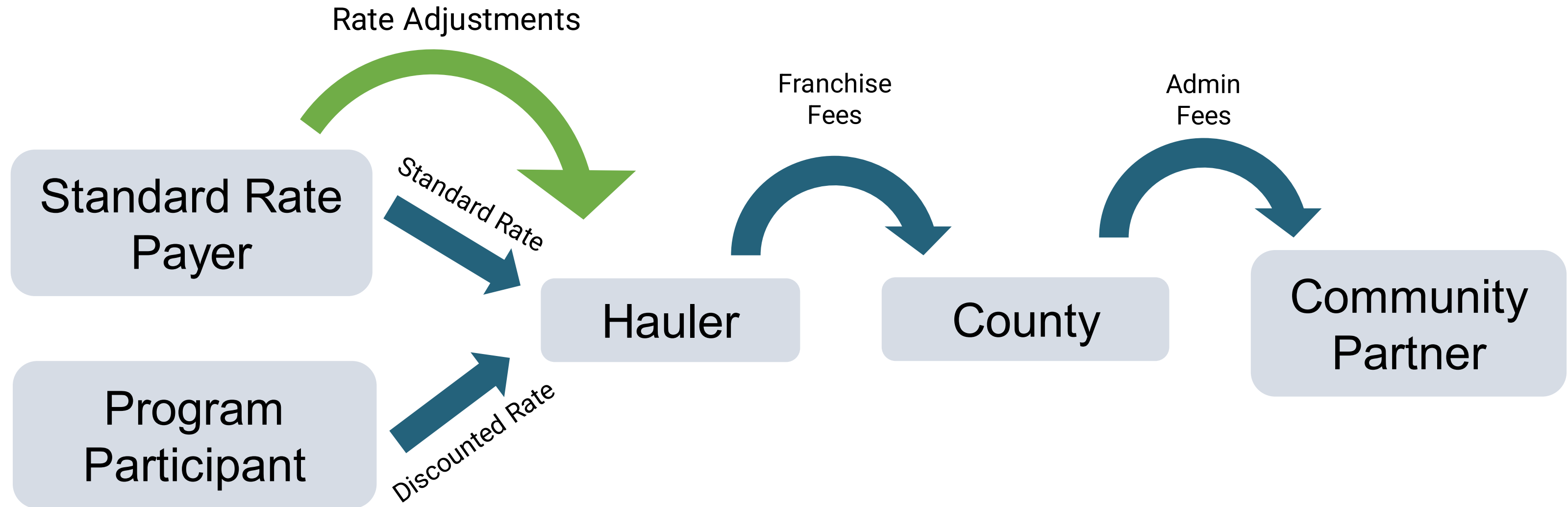
$(285,487)

$(204,153)

Annual System (Cost)

$(700,000)
$(600,000)
$(500,000)
$(400,000)
$(300,000)
$(200,000)
$(100,000)
$-

5% (Year 1)   7% (Year 2)   10% (Year 3)   15% (Full Maturity)

% Participation

Model Output – Rate Payer Impact

Rate Payer Impact
(Residential - 32 gal, 20% Eligibility)

Legend: Monthly ▬ | Annual ─○─

Y-axis: (Increase) in Cost from 2020 Rates

	5% (Year 1)	7% (Year 2)	10% (Year 3)	15% (Full Maturity)
Annual	$(2.75)	$(3.86)	$(5.53)	$(8.37)
Monthly	$(0.23)	$(0.32)	$(0.46)	$(0.70)
%	0.8% ↑	1.1% ↑	1.6% ↑	2.5% ↑

X-axis: % Participation

Program Structure - Funding

Rate Adjustments

Franchise Fees

Admin Fees

Standard Rate Payer

Standard Rate

Program Participant

Discounted Rate

Hauler

County

Community Partner

Program Structure – Administration

Program Candidate	Community Partner	Hauler	County
Submit Application	Process Application and Conduct Eligibility Screening		
Notification of Eligibility Status	Notification of Eligibility Status	Notification of Eligibility Status	
		Implement Discounted Rate	
		Program Reporting	Program Reporting
			Notification of Eligibility Status
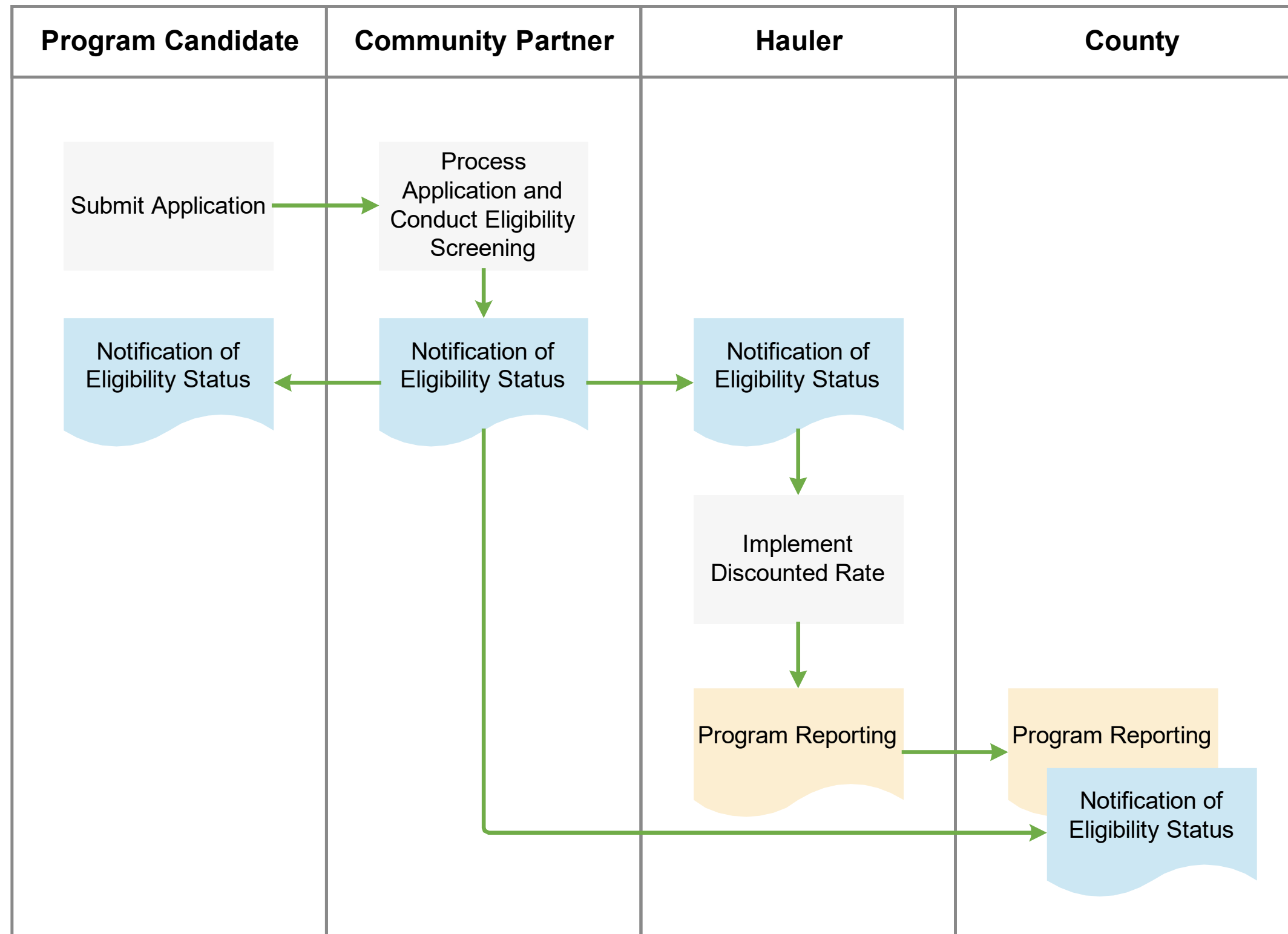
Implementation Considerations:

- Application process/Verification screening
  - Participating Community Partners
  - Administrative Costs
  - Cross-Program Eligibility and Documentation Requirements
  - Renewal Period
  - Renewal Process
- Communications/Reporting
  - Informing haulers of customer eligibility approval
  - Reporting requirements for haulers/community partners
  - Data privacy policies
- Hauler Logistics
  - Implementing new rate
  - Changing rate after discount period has lapsed

→ Next Steps

Next Steps:

- 4/14/2022 presentation to GRAC
- 5/24/2022 presentation to BCC at Work Session
- 1/1/2023 anticipated rate implementation
- TBD – share research model with regional partners

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