

Examples of Operational Adjustments, Mid-Cycle Plan Adjustments, and Substantive Plan Changes requiring a full plan amendment

Ohio EPA recently issued a draft proposal titled “Solid Waste Management District (SWMD) Plan Development Cycle Revisions.” Along with several other proposed changes, the document included a proposed change that would allow a SWMD to make a one-time, streamlined, “Non-substantive Plan Adjustment” in the middle of the plan cycle. Under the new approach, for an eighteen-month window beginning two and a half years from plan approval and ending four years after plan approval, a policy committee could draft certain types of changes to the programs and budget contained in the approved plan, provide a public comment period on the proposed changes (and possibly make revisions based on public comment), and then submit these changes to Ohio EPA for concurrence. Major changes, such as adjusting fee levels, eliminating or adding core programs, etc., would still require a full plan amendment.

The intention behind this proposal is to allow SWMDs more flexibility in making adjustments to their activities in the middle of a plan cycle without the need to go into a fully revised plan (which would require plan ratification).

While the concept may have merit, it has been challenging to define the types of changes that might be appropriate for a mid-cycle adjustment, versus those that are considered normal operating decisions and those that would require a full plan amendment.

The following is Ohio EPA’s thoughts on the types of changes that might fall into each category.

Ongoing Operational Adjustments

These are operational decisions that happen frequently as SWMD’s implement their plans. Nothing would change regarding how they are currently handled. The SWMD would make the operational decision and it would be reported on the ADR at the end of the year. Examples might include:

- Eliminate or move a drop-off location in a manner that doesn’t impact the ability to meet the Access Goal
 - It could impact Access for a short period of time while an adjustment was being made
- In response to market conditions, change types of recyclable materials collected in a manner that doesn’t impact ability to meet Access Goal
- Add additional drop-offs
- Modify or eliminate some portion of the education program. The majority of the program described in plan stays intact, but one or more portions of the program is eliminated or modified.
- Hiring a new staff person (staffing issues in general)

- The only possible exception might be if a staffing decision is specifically identified in a plan as a primary strategy, such as hiring a full-time education specialist.
- Move offices (and other similar administrative issues)
- Increased expenses associated with operational issues such as increased fuel costs, increased insurance costs, etc. (These expenses are the result of things that are out of a SWMD's control.)
- Replacement of existing equipment (i.e. truck breaks down and is replaced). (We would hope that plan budgets would be created with this in mind, so this wouldn't be an issue.)
- Generally speaking, small dollar adjustments, deletions, and additions. Anything less than \$10,000 is typically considered immaterial. Adjustments over \$10,000 should be evaluated more carefully.

Mid-cycle Plan Adjustments

These are changes to programming or expenditures that are more significant, but not significant enough to warrant a full plan update. They are significant enough to warrant an official decision by the SWMD (including the Policy Committee and Board) and public input. This process results in a formal change in the plan, but does not require ratification.

- A change in an existing budgetary line item that is greater than \$10,000, but no more than 20% or \$100,000, whichever is smaller.
 - Example: A SWMD has allocated \$200,000 to a grant program contained in the approved plan. The program has been successful, and the SWMD is in a stronger than anticipated budgetary condition. SWMD increases that allotment to \$240,000 using a mid-plan adjustment.
 - Example: A SWMD has allocated \$100,000 to support health departments (HDs) in the approved plan. The HD experiences an increase in the number of abandoned meth labs within the SWMD, and the SWMD would like to provide an additional allocation for clean-up of the non-hazardous wastes at these sites. The SWMD allocates an additional \$20,000 to HDs for this purpose using a mid-plan adjustment.
 - Example: A SWMD has allocated \$1,000,000 in incentive grants to support community curbside and drop-off programs. Due to lower than expected revenues, the SWMD would like to reduce the amount of funding for this program. The SWMD has communicated their budgetary situation to the local communities, and feels that they can decrease this program somewhat without an impact on implementation of the local programs. The SWMD reduces the line-item for this program to \$900,000 using a mid-plan adjustment.

- Add a new program to support one of the existing strategies identified in the plan. Not to exceed \$100,000 or 10% of overall budget, whichever is smaller.
 - Example: A SWMD provides waste assessments to businesses and this is fully described in the plan. The SWMD wants to add annual grant funding to businesses that receive waste assessment to help them start recycling programs. The SWMD's overall budget is \$1,000,000 annually. The SWMD is in a strong financial position, operating with annual surpluses and has an account balance of \$2,000,000. The SWMD establishes a new \$100,000 business recycling annual grant program using a mid-cycle adjustment.
- Add a program not described in any way in plan, but supporting general objectives of plan. Not to exceed \$100,000 or 10% of overall budget, whichever is smaller.
 - Example: A SWMD experiences an increase in scrap tire open dumping within the SWMD after a plan is approved. They currently allocate money to the HD for general oversight and enforcement activities, but the plan contains no description of the scrap tire issue and provides no allocation for local law enforcement. The SWMD wants to establish an allocation to local law enforcement for targeted enforcement of the scrap tire laws. The SWMD's overall budget is \$350,000. They establish a \$35,000 allocation to local law enforcement for this purpose using the mid-cycle adjustment.
 - Example: A SWMD wants to add an annual electronics collection event at an estimated expense of \$20,000 per year. The plan contains no description of electronics collection activities, but states that the SWMD will provide residents with information regarding the existing independent outlets and businesses that accept e-waste. The SWMD establishes a yearly collection event using the mid-cycle adjustment.
- Eliminate a program that is not essential to meeting state plan goals or in other ways central to the Districts implementation of its plan. Not to exceed \$100,000 or 10% of overall budget whichever is smaller.
 - Example: A SWMD's plan includes a program to make a tub grinder available to communities within the SWMD at a projected cost of \$50,000 annually. The program originated at a time when most communities did not have yard waste collection programs in place, as an incentive for them to start the programs. At this point the programs are well established, and the SWMD doesn't feel that the tub grinder program is critical for the communities to continue their yard waste collection programs (for example, yard waste is now an eligible material for the SWMD's incentive grant program, and there is a community grant program that could be used to help a community purchase a grinder.) The equipment is in need of significant repairs, and the SWMD doesn't believe that it is worth the investment into the program. The SWMD's annual budget is \$500,000. The SWMD eliminates the program using the mid-cycle adjustment.

Substantive Changes Requiring Plan Revision (significant changes that should be included and ratified in a plan)

These are significant changes from what is in the approved plan and would require a plan update prior to implementation. Examples might include:

- The SWMD wants to build a new transfer facility, recycling facility, compost facility, HHW facility, central office building, etc.
- The SWMD wants to eliminate or substantially change a critical grant program
 - Example: A SWMD historically funds virtually all local recycling programs through incentive-based grants. A sizable portion of the budget is allocated to this activity, and it is a major focus of the SWMD's plan. They decide that they want to significantly reduce expenditures for this program, or do away with it entirely.
- The SWMD wants to significantly reduce funding to a drop-off program that has historically been the major component of meeting the access goal. The reduction in funding would result in a major reduction in the number of drop-off sites available.
- The SWMD wants to eliminate all subsidies for curbside programs
- The SWMD want to make a significant new expenditure not contemplated in the plan
- The SWMD wants to spend revenues on allowable uses not contemplated in the plan