



# *Vermont Architectural Paint Stewardship Program Plan*



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## *Section 1. Introduction*

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### **A. INTRODUCTION**

In June 2013, Governor Shumlin signed Act 58, creating the Vermont Paint Stewardship Program. Act 58 is codified in Sub-Chapter 4, Chapter 159 of Vermont Statute Title 10: Conservation and Development.

Vermont's paint stewardship law requires manufacturers of architectural paint to establish a program to reduce the generation of postconsumer paint, promote the using up of leftover paint, and to facilitate the recycling and proper disposal of unwanted postconsumer paint. The program should increase opportunities for consumers to properly manage leftover paint, reduce costs to local governments managing postconsumer paint, work to keep paint out of the waste stream, and conserve natural resources.

### **B. PAINT STEWARDSHIP IN THE UNITED STATES**

Several municipal household hazardous waste programs and waste management districts in Vermont took part in an effort that began in 2003 to bring about an industry-managed paint stewardship system. This effort, the Paint Product Stewardship Initiative (PPSI), led by the Product Stewardship Institute, included a multi-year stakeholder dialogue and several research projects related to paint recycling. Stakeholders included the American Coatings Association (representing paint manufacturers), paint recyclers, federal EPA, and many state and local governments across the country.

The PPSI resulted in the development of a model paint stewardship law to create an economically and environmentally-sustainable, industry designed and implemented postconsumer paint management system. In 2009, Oregon became the first state to pass the model paint stewardship law. Similar laws have since passed in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, Rhode Island, and Vermont.

### **C. PAINTCARE INC.**

PaintCare – a 501(c)(3) non-profit organization – was formed in 2009 by the American Coatings Association, the primary trade association for the paint and coatings industry. PaintCare serves as the stewardship organization for architectural paint manufacturers in Vermont. PaintCare representation is open to all architectural paint manufacturers, and they may register with PaintCare at any time. PaintCare currently represents approximately 200 paint manufacturers across its nine programs.

PaintCare's Board of Directors consists of eleven non-paid representatives of architectural paint manufacturing companies. The names and companies of PaintCare's current Board of Directors is provided in the appendix. PaintCare's corporate office is in Washington, DC. State program staff are in or work in the states in which paint stewardship programs operate, including Vermont.

Pursuant to an ongoing corporate restructuring, PaintCare plans to form a separate, wholly-owned limited liability company (PaintCare Vermont LLC) dedicated solely to operations in Vermont. That subsidiary company will share the 501(c)(3) non-profit status of its parent, PaintCare Inc. This change will bolster the financial and legal independence of the Vermont PaintCare program relative to the other PaintCare programs that operate in the other jurisdictions. Once PaintCare Vermont LLC is formed, PaintCare will ask for the state to approve a switch in the stewardship organization from PaintCare Inc. to PaintCare Vermont LLC.

#### **D. VERMONT PAINT STEWARDSHIP LAW AND PROGRAM PLAN**

The Vermont paint stewardship law requires manufacturers of architectural coatings to submit to and receive approval of a paint stewardship program plan – individually or through a representative organization – from the Vermont Agency of Natural Resources (ANR).

PaintCare's original program plan was approved by ANR in March 2014, for a three-year period. The Vermont Paint Stewardship Program began May 1, 2014 – two months before the statutory start date. Following 18 months of operations, PaintCare determined that program revenue was not sufficient to cover program costs and submitted a revised program plan with a revised budget and assessment structure (PaintCare fees). The revised plan was approved in March of 2016. This current submission is an updated plan that includes the revised PaintCare fees approved in 2016, and looks ahead to the next five years of the program.

Per statute, this program plan must:

1. List participating manufacturers and brands covered by the program.
2. Provide information on the architectural paint products covered under the program.
3. Describe how the program will collect, transport, recycle, and process postconsumer paint for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.
4. Describe how the program will provide for convenient and available statewide collection of postconsumer architectural paint in urban and rural areas of the state, including partnering with existing household hazardous waste collection programs and with paint retailers.
5. Provide geographic information system modeling to determine the number and distribution of sites for collection of postconsumer architectural paint based on the following criteria: (a) at least 90 percent of Vermont residents shall have a permanent collection site within a 15-

mile radius, and (b) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by ANR.

6. Establish goals to reduce the generation of postconsumer paint, to promote the reuse of postconsumer paint, and for the proper management of postconsumer paint as practical based on current household hazardous waste program information. The goals may be revised by the producer or stewardship organization based on the information collected for the annual report.
7. Describe how postconsumer paint will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of paint under the program shall use management activities that promote source reduction, reuse, recycling, energy recovery, and disposal.
8. Describe education and outreach efforts to inform consumers of collection opportunities for postconsumer paint and to promote the source reduction and recycling of architectural paint for each of the following: consumers, contractors, and retailers.
9. Include a budget and proposed funding mechanism under which each manufacturer remits to a stewardship organization payment of a paint stewardship assessment for each container of architectural paint it sells in Vermont. The proposed budget and assessment structure must be reviewed by a third-party auditor agreed upon by ANR, and the third-party auditor must provide a recommendation as to whether the proposed budget and assessment is cost-effective, reasonable, and limited to covering the cost of the program.

Within 90 days of submission of a program plan, ANR determines whether to approve the plan, including its budget and assessment structure. ANR shall approve the plan if it provides for the establishment of a paint stewardship program that meets the requirements noted above, and if it determines that the plan does the following:

1. Achieves convenient collection for consumers.
2. Educates the public on proper paint management.
3. Manages waste paint in a manner that is environmentally safe and promotes reuse and recycling.
4. Is cost-effective and demonstrates that the costs of the program and any proposed assessment are reasonable and the assessment does not exceed the costs of implementing an approved plan.

## ***Section 2. Registered Manufacturers and Brands, and Program Products***

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### **Statutory Citation**

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

*(a) The plan shall address the following:*

*(1) Provide a list of participating producers and brands covered by the program.*

*(2) Provide specific information on the architectural paint products covered under the program, such as interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings.*

### **Section Overview**

This section discusses:

- ◆ Process for identifying and contacting architectural paint manufacturers
- ◆ Private label agreements
- ◆ Purpose and posting of registered manufacturer and brand lists
- ◆ Defining and identifying program products

### **A. MANUFACTURER REGISTRATION**

Representation by PaintCare is open to all architectural paint manufacturers who are obligated to take part in the Vermont Paint Stewardship Program. To identify potential participants, PaintCare obtained manufacturer information through a variety of sources, including:

- ◆ PaintCare programs in other states
- ◆ The American Coatings Association and other paint trade associations
- ◆ Internet research

Prior to the start of the program, PaintCare notified manufacturers of the Vermont law by email and through a notice on the website that companies use to report sales for other states. Current lists of registered manufacturers and registered brands are provided in the appendix.

### **B. PRIVATE LABEL AGREEMENT**

Private label agreements (or services) represent products manufactured or distributed by one company for use under another company's label. They are also referred to as store brands, generic

brands, and tolling agreements. These agreements are often kept confidential to protect the arrangements from competitive interests. Therefore, PaintCare does not indicate the brands that are produced by each manufacturer, unless the name of the manufacturer is included in the brand name. Instead, registered manufacturers and their registered brands are presented in two separate lists, thereby assuring the confidentiality of private label and other brand agreements.

### C. POSTING AND PURPOSE OF MANUFACTURER AND BRAND LISTS

PaintCare posts the lists of registered manufacturers and brands on the PaintCare website. The lists are updated monthly, and also sent to ANR. The purpose of posting the lists is to make them available for retailers and distributors to determine which brands may be sold in Vermont.

### D. PROGRAM PRODUCTS

Architectural paints are referred to as program products or paint in this plan. For simple communication, this plan uses the common terms latex paint to mean non-combustible or water-based program products, and oil-based paint to mean combustible or petroleum solvent-based program products.

To determine which products are to be assessed the PaintCare fee and collected for proper management under the program, PaintCare uses definitions and terminology from the US EPA, state, and local architectural and industrial maintenance (AIM) rules. These definitions, along with a decision table, a list of program products, and examples of non-program products are included in the appendix.

To be a program product, five questions about a product must be answered as follows:

- |   |     |
|---|-----|
| ◆ Is it a coating?                            | Yes |
| ◆ Is it an architectural coating?             | Yes |
| ◆ Is it for Industrial Maintenance?           | No  |
| ◆ Is it for Original Equipment Manufacturing? | No  |
| ◆ Is it a Specialty Coating?                  | No  |

The result of applying the definitions to coatings products is that program products include water-based and oil-based house paints, primers, stains, sealers, elastomeric roof and deck coatings, varnishes, shellacs, lacquers, and single component polyurethanes. These are the products to which the PaintCare fee is applied by manufacturers (and passed down to consumers), and the products that are accepted at drop-off sites for recycling and proper end-of-life management are the same.



If an architectural coating product category is identified that is not covered by the AIM rules, PaintCare determines, using the above methodology, whether the product should be a covered product for the purposes of the program. In addition, PaintCare reaches out to all manufacturers of the product to affirm its determination.

As needed, PaintCare reviews products and publishes notices to clarify whether certain products should be covered by the program. These reviews of an individual product or product categories are conducted by gathering information from manufacturers about the chemistry and use of the products, and by consulting with technical staff and legal counsel who are familiar with the chemistry, use, and regulations of program products. Two examples of such notices are included in the appendix.

If a new product category is to be added to the program, PaintCare will submit an amended program plan to ANR for approval before adding the product category to the program.

## **E. NON-PROGRAM PRODUCTS**

Non-program products, whether they are coatings (e.g., automotive paints are excluded because they are not for architectural use) or non-coatings (e.g., paint thinners), are not assessed the PaintCare fee and are not accepted by drop-off sites in the program, because they introduce unfunded costs and safety hazards.

## Section 3. Collection Infrastructure

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### Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

(a) *The plan shall address the following:*

(4) *Describe the program and how it will provide for convenient and available statewide collection of postconsumer architectural paint in urban and rural areas of the State. The producer or stewardship organization shall use the existing household hazardous waste collection infrastructure when selecting collection points for postconsumer architectural paint. A paint retailer shall be authorized as a paint collection point of postconsumer architectural paint for a paint stewardship program if the paint retailer volunteers to act as a paint collection point and complies with all applicable laws and regulations.*

(5) *Provide geographic information modeling to determine the number and distribution of sites for collection of postconsumer architectural paint based on the following criteria: (A) at least 90 percent of Vermont residents shall have a permanent collection site within a 15-mile radius; and (B) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary.*

(6) *Establish goals to reduce the generation of postconsumer paint, to promote the reuse of postconsumer paint, and for the proper management of postconsumer paint as practical based on current household hazardous waste program information.*

### Section Overview

This section discusses:

- ◆ Pre- and post-program paint collection infrastructure
- ◆ Drop-off site recruitment
- ◆ Application and results of the Vermont convenience criteria

### A. INTRODUCTION

Vermont is unique when compared to the other PaintCare programs; it has statewide and well established household hazardous waste (HHW) collection programs, and a very small population. The Vermont Materials Management Plan requires each waste management district, alliance or independent town to provide its residents with at least two HHW collection events per year, increasing to four events as of 2018, or access to a permanent HHW facility within 15 miles.

Vermont has 21 HHW programs, and includes five permanent HHW facilities (four of which are open year-round), and more than 75 HHW collection events per year. PaintCare currently partners with all of Vermont's HHW programs.

In addition to its partnership with HHW programs, PaintCare has increased recycling opportunities for Vermont residents through the addition of new paint drop-off sites and services. As of August 2017, the program also includes 62 retail drop-off sites (paint, hardware, and home improvement stores), six transfer stations, and one recycling center. In addition, the program has held five paint-only drop-off events in underserved areas of the state and conducted 15 direct pick-ups of large volumes of paint (more than 200 gallons) from painting contractors, a university, local housing authorities, and a solid waste hauler.

PaintCare drop-off sites can be found using the site locator tool on PaintCare's website.

## **B. AUDIENCE**

The PaintCare program serves Vermont residents, businesses, and others that have unwanted, postconsumer paint, subject to programmatic limitations described here:

**Residential Generators/Households.** The program accepts any quantity of latex or oil-based paint from residential generators/households.

**Conditionally Exempt Small Quantity Generators (CESQGs).** Trade painters, contractors, small businesses, and other small to medium-sized organizations are typical CESQGs (called CEGs in Vermont). The program accepts any quantity of latex paint from CESQGs, and accepts oil-based to the limits applied to hazardous waste generation for CESQGs (220 pounds or approximately 25 gallons per month).

**Small Quantity Generators (SQGs) and Large Quantity Generators (LQGs).** The program accepts any quantity of latex paint from SQGs and LQGs. The program does not accept oil-based paint from SQGs or LQGs.

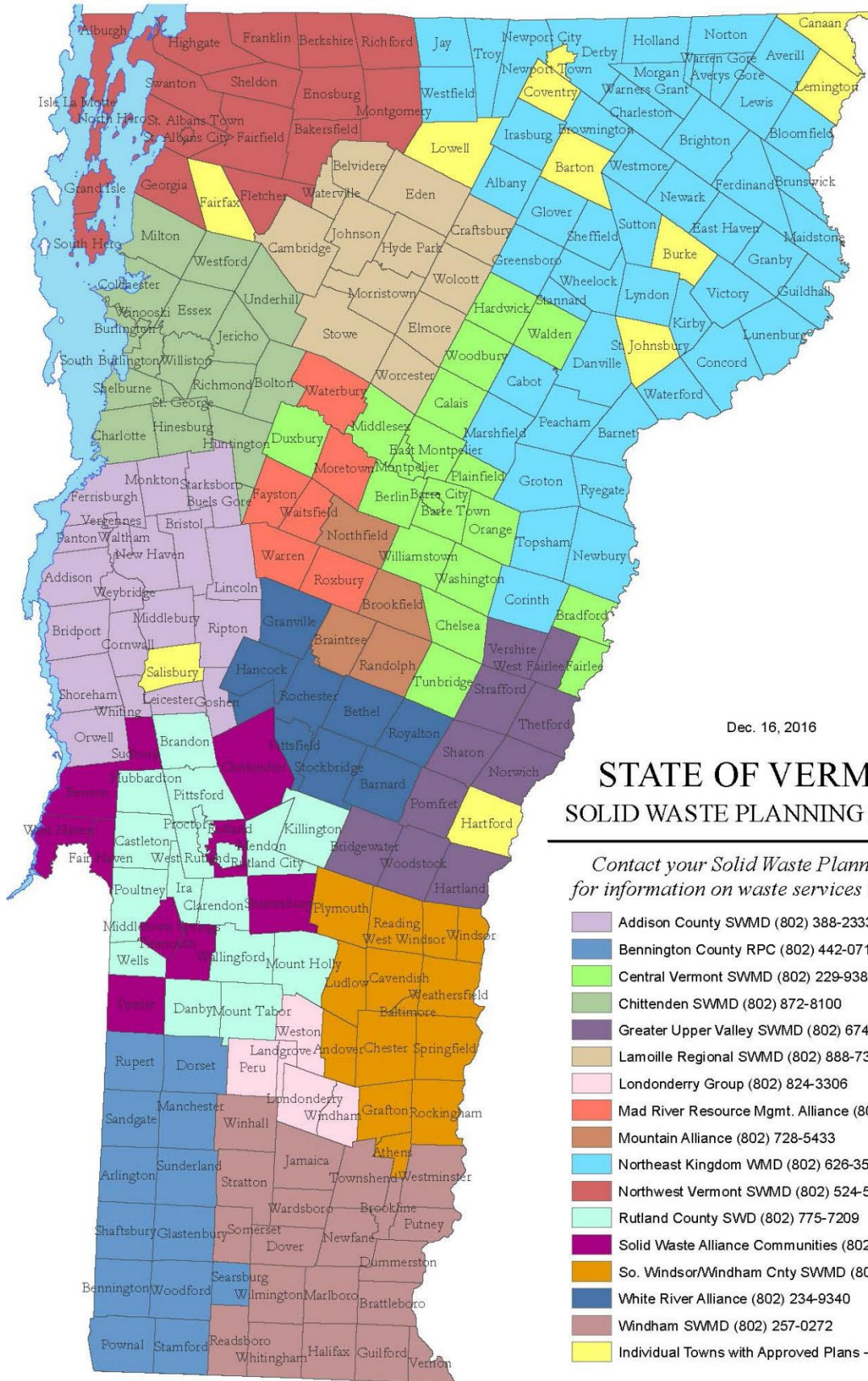
## **C. WASTE DISTRICTS AND HOUSEHOLD HAZARDOUS WASTE PROGRAMS**

With assistance from staff at ANR, Chittenden County, and other municipal programs, PaintCare made presentations about the program at several stakeholder meetings and met with representatives from all the state's waste districts and most of the independent towns prior to the start of the program to explain the benefits of the PaintCare program. The benefits of partnering with PaintCare for waste districts that have HHW or other paint collection programs include cost savings, expanded customer service through the addition of latex paint to their program (for those that did not accept latex paint prior to the PaintCare program), reducing waste, and increasing recycling. A fact sheet for HHW programs, along with an interest form was developed by PaintCare and

distributed at the group and individual meetings. A current copy of the fact sheet is included in the appendix and available on PaintCare's website.

PaintCare currently partners with all of Vermont's 21 HHW programs. PaintCare continues to meet with HHW and other municipal staff to share information about the program and solicit input to improve and enhance the program.

The map on the following page, provided by ANR, shows the state's current waste districts and independent towns that offer (or are required to offer) some form of HHW services to their residents.



## D. PAINT RETAILERS

PaintCare has identified approximately 170 paint retailers in Vermont, including paint, hardware, and home improvement stores.

Prior to the start of the program, PaintCare sent several mailings about the program to known retailers in the state either directly or through their corporate headquarters to inform them about the program. Most retailers were also asked to participate in the program as paint drop-off location. (The corporate headquarters for big box retailers had previously informed PaintCare that their stores would not become drop-off locations). Current copies of the fact sheets and drop-off site interest form provided to retailers are included in the appendix and available on PaintCare's website.

All interested paint retailers have the opportunity to participate as a PaintCare drop-off site provided they meet PaintCare's requirements and applicable laws and regulations, including, but not limited to:

- ◆ Ability to provide enough space to hold a minimum number of paint collection bins as determined by PaintCare's needs in their specific geographic location
- ◆ Willingness to accept both latex and oil-based paints
- ◆ Willingness to accept paint from any qualifying generator
- ◆ Reasonable access by the public and by PaintCare's transporter
- ◆ Compliance with PaintCare operational guidelines and applicable state and local regulating agency requirements
- ◆ Willingness to have their site promoted on PaintCare's website and through other outreach methods
- ◆ Willingness to post and distribute PaintCare point-of-sale outreach materials including a window poster advertising their store as a drop-off site

Retail participation is entirely voluntary and drop-off sites are not compensated. Currently, 62 paint retail stores participate as drop-off sites. PaintCare's Vermont program manager visits every drop off site at least twice a year to check on operations, answer questions, and provide updated outreach materials.

## E. MATERIAL REUSE STORES

Reuse stores – retail outlets that accept and redistribute excess or reusable building materials – are a unique group of retailers because they can offer paint for reuse. PaintCare provides compensation to reuse stores for tracking and reporting the amount of paint that is sold or given away for reuse from their store (see the Reuse Programs fact sheet in the appendix for more information).

PaintCare has identified six reuse stores in Vermont: four ReSOURCE stores, one Habitat for Humanity ReStore, and one ReCOVER store. All six stores have been invited to participate in the program as paint drop-off and reuse sites.

Currently, all four ReSOURCE stores and the Habitat for Humanity ReStore sell Local Color recycled paint made by the Chittenden Solid Waste District and have indicated that they are happy doing so and do not want to collect used paint to redistribute. The ReCOVER store has previously declined to participate, but new management is still reevaluating participating in the program. The program manager visits with store staff periodically to make sure that they are aware of the program and the option to participate.

## **F. WASTE TRANSFER STATIONS AND RECYCLING CENTERS**

Waste transfer stations and recycling centers also play a role in the paint collection infrastructure in Vermont. They are in many communities and provide a convenient opportunity and familiar location for their customers to drop off unwanted paint. Transfer stations have some unique characteristics and requirements. They are convenient for people who use them to dispose of other waste and recyclables, so adding paint makes sense. And transfer stations are often used by town departments (e.g., public works) for waste generated by the municipality itself. Such departments may choose to drop off paint at transfer stations to save on the municipality's own paint management costs.

Similar to HHW programs, transfer stations may have some operational or funding restrictions, and exceptions are made by PaintCare to accommodate them. Use of transfer stations is usually limited by the operator to local residents and businesses. Although PaintCare allows anyone to drop off paint at any PaintCare site, transfer stations can limit participation to their customers or community if they wish to do so.

Prior to the start of the program, PaintCare developed and mailed a fact sheet and interest form to all transfer stations and recycling centers (current copies of these materials are included in the appendix). Most transfer stations and recycling centers in Vermont are operated by municipalities and some are privately run – both groups are invited to join the program. Six transfer stations and one recycling center currently participate in the program. PaintCare also offers compensation to transfer stations and recycling centers that give away paint for reuse. Currently one is offering this service.

PaintCare's Vermont program manager continues to attend meetings of solid waste managers in the state to maintain awareness and answer questions about the program.

## **G. ONE-DAY PAINT COLLECTION EVENTS**

Feedback from ANR and municipal programs prior to the start of the program suggested that despite the state's comprehensive HHW collection infrastructure, households and businesses in Vermont

were likely to have been storing up old paint, and they were particularly likely to have accumulated latex paint, as not all HHW programs in Vermont accepted latex paint prior to the start of the PaintCare program. Also, some offered services to businesses, but not all. Those that did not accept latex paint advised the public to dry and dispose of it in the trash. Despite this advice, many people continued to store their unwanted, leftover latex paint, because the process to dry and dispose is messy and inconvenient.

PaintCare was concerned about the possibility of overwhelming retail drop-off sites with large volumes of paint being dropped off at the start of the program. To address this, PaintCare held five one-day paint-only drop-off events in Bennington, Manchester, Montpelier, Morrisville, and Rutland during the first year of the program. Unlike municipally-sponsored HHW events, participation in these events was not restricted by town or other boundaries. The events drew participation by 965 residents and businesses.

The current program offers a year-round drop-off site within 15 miles to 99.5% of the state's population. As a result, the program does not anticipate holding additional paint-only events in the near future, but they remain an option for added convenience and or to raise program awareness.

## **H. DIRECT PICK-UP SERVICE FOR LARGE VOLUMES**

The direct pick-up service is offered to households, painting contractors, and other entities that have accumulated or regularly accumulate large volumes of paint – generally more than 200 gallons. (PaintCare recently lowered the minimum volume requirement from 300 gallons to 200 gallons). This service is known as the Large Volume Pick-Up Service or LVP Service. Program participants can receive a direct pick-up at their site on an ad hoc or on-going basis. Approval for use of the service is determined by PaintCare. Potential users of the service are asked to provide specific information about the volume of paint, type of paint (latex vs. oil-based), and container sizes. Once a site is approved for a pick-up, they are put in contact with PaintCare's transportation service provider to schedule an appointment to have their paint picked up.

The program has conducted 15 large volume pick-ups (from 12 locations) from painting contractors, a university, local housing authorities, and a solid waste hauler. A copy of the LVP Service fact sheet is included in the appendix.

## **I. CONVENIENCE CRITERIA**

To ensure adequate paint collection infrastructure in Vermont, PaintCare used Geographic Information System (GIS) modeling to determine the appropriate minimum number and distribution of drop-off sites based on the following baseline criteria required by the Vermont paint stewardship law:



**Distribution/Distance Criterion.** At least 90% of Vermont residents shall have a permanent site within a 15-mile radius.

Retail drop-off sites are available to households and businesses from anywhere in the state; however, municipal drop-off sites (waste transfer stations and HHW programs) are only available to residents from certain towns or geographic areas. For municipal partners that limit participation, only eligible populations are counted towards the program's percentage-served calculation.

**Population Density Criterion.** In addition to drop-off sites selected to meet the 15-mile distance criteria, at least one site is required for every 10,000 residents of a municipality.

Application of these criteria prior to the start of the program resulted in the need for approximately 45 optimally located year-round sites. To measure progress towards the convenience goals, PaintCare annual reports provide the convenience level offered by the current drop-off sites. If PaintCare has not met or maintained the convenience goals, the report will include a discussion of the efforts that will be undertaken to meet them. PaintCare's 2016 annual report showed that as of June 30, 2016, the sites in place at that time provided 99.5% of Vermont's residents a drop-off site within 15 miles of their home.

Two areas of the state are identified as needing additional sites based on the density criterion of one year-round site for every 10,000 residents of a municipality – Milton which needs one site, and Burlington which has one site and needs three more. PaintCare has identified an interested site in Milton and will have this site established before the end of 2017. The towns immediately surrounding Burlington have nine retail collection sites open seven days a week and the CSWD Environmental Depot is open four days a week. There is also an annual household hazardous waste collection held in Burlington. There are a limited number of retailers in the city of Burlington, only one of which is interested in being a collection site due to space or other limitations. Residents of Burlington are accustomed to shopping in the surrounding towns where many of the areas' larger retail stores are located. Through this program plan, PaintCare is asking for approval from the Secretary of the Agency of Natural Resources for a waiver to the population requirement for Burlington as we feel that the residents are well served by sites in surrounding towns.

## Section 4. Site Operations and Materials Management

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### Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

(a) The plan shall address the following:

(3) Describe how the program proposed under the plan will collect, transport, recycle, and process postconsumer paint for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.

(7) Describe how postconsumer paint will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of paint under the program shall use management activities that promote source reduction, reuse, recycling, energy recovery, and disposal.

### Section Overview

This section discusses:

- ◆ Drop-off site operations
- ◆ Paint transportation and processing procedures

### A. SITE OPERATIONS

All PaintCare drop-off sites must:

- ◆ Have an agreement in place with PaintCare
- ◆ Accept program products from all site-eligible audiences
- ◆ Be staffed during operating hours
- ◆ Store paint in a secure location
- ◆ Operate in accordance with PaintCare's site guidelines, and with applicable federal, state and local environmental laws, regulations, and permits. (If any discrepancies occur between PaintCare's guidelines and these, the requirements of latter group should be followed.)

### B. SITE TRAINING

Except for HHW programs for which it is optional, all other PaintCare drop-off sites receive an in-person, on-site training on program operations and are provided a training manual that is reviewed

with PaintCare staff in person, and includes a training log to be signed by any staff handling postconsumer paint for the program.

Topics covered in the training (and training manual) include:

- ◆ Program product identification
- ◆ Safe handling and storage of program products
- ◆ Spill clean-up and reporting
- ◆ Procedure for scheduling a paint pick-up
- ◆ CESQG screening
- ◆ Record keeping



### C. PAINT COLLECTION BINS

Drop-off sites are equipped with paint collection bins to store postconsumer paint received through the program. PaintCare sites use collection bins and other containers that have been approved by the US Department of Transportation (DOT). These include cubic yard reusable bins (below left) or single-use cardboard boxes (below right), 55-gallon drums, or other appropriate containers. Drop-off sites are required to keep collection bins in a secure location that is not accessible to the public.



### D. COLLECTION VOLUMES

PaintCare advertises that each site will accept up to five gallons per participant, per drop-off site, per day. Drop-off sites may take larger volumes if they choose; drop-off sites set their own limits on the amount of paint they will accept, as long as the limit is not lower than five gallons per customer per day.

## **E. NON-PROGRAM PRODUCTS**

Minimization of non-program products entering the program is critical and achieved through public education, signage at drop-off sites, and site training on product identification. Non-program products that are discovered while bins are processed downstream are managed by the program (they are not returned to the site). The program's transportation and processing service providers provide information to PaintCare regarding the source (specific drop-off site), quantity, and type of non-program products received. Depending on the amount of contamination, PaintCare does one or more of the following: (1) contacts the site to let them know about the incident, (2) provides additional/refreshers site training on identification of program and non-program products, or (3) removes the site from the program (no sites have been removed from the Vermont program to date).

## **F. SITE VISITS AND MONITORING**

Following the initial training, sites are visited routinely to ensure compliance with program requirements, address questions and concerns, and provide outreach materials and signage. Most sites are visited two times per year.

## **G. PAINT TRANSPORTATION**

An effective transportation system is required to ensure the paint collection infrastructure operates efficiently. PaintCare contracts for transportation of all program products employing both private and public entities (e.g., some municipalities transport paint from their own HHW events to their HHW facility) and generally selects service providers through a competitive bid process.

Transporters must meet all applicable state and federal DOT rules and regulations and track paint from drop-off sites to the final destination. Transporter (and processor) facilities and records are subject to audit by PaintCare.

As needed, transporters drop off empty collection bins and program supplies (e.g., spill kits) at drop-off sites and events and pick up full collection bins in a timely manner. Transporters service drop-off sites on either an on-call basis (sites call for pick-up when their storage capacity is at least 50% full), or on a set schedule (e.g., every Monday) – whichever method is best for each individual drop-off site.

The program's transporter(s) are listed in the annual reports and ANR is notified if any changes occur between reports.

## H. PAINT PROCESSING

Either directly or through transporters, PaintCare contracts for processing and proper end-of-life management of all program products. Processing facilities are included in the annual reports and ANR is notified if any changes occur to processors or end-of-life destinations between reports.

### Latex Paint Management

The condition in which postconsumer latex paint is received by the program may limit the management options. If containers are not properly sealed during storage, latex paint can harden due to evaporation and may no longer be useable or recyclable. If latex paint is frozen several times, it may not be as suitable for use or recycling.

**Reuse.** The program supports latex paint reuse and provides monetary compensation to incentivize it. Paint reuse programs return good quality paint to the local community without moving it through a costly transportation and processing system. As with other second-hand products, users of “previously owned” latex paint are notified that the suitability of the product cannot be guaranteed, and they are required to sign a waiver before taking latex paint for reuse from a PaintCare site.

**Recycled Paint.** Most latex paint collected through the program is processed to make recycled-content paint. Once processed, recycled-content paint is sold through domestic and international markets. The quality of the paint varies from high quality color-segregated and filtered paint, to a lower grade paint most commonly used for graffiti abatement.

**Local Color Paint.** PaintCare works with the Chittenden Solid Waste District (CSWD) to support their Local Color paint processing program. CSWD recycles about 25% of the latex paint it receives into their Local Color recycled-content paints. Selected paint is blended, double filtered, and poured into two and five-gallon pails. Local Color can be purchased at the CSWD Environmental Depot, other municipal sites, and reuse stores around the state.



**Alternative Daily Landfill Cover.** Some of the latex paint collected through the program is used as a polymer substitute in a polymeric film product that is applied over the surface of landfills as a daily cover to resist water penetration into the landfill. This product is a sprayable alternative to geomembrane cover materials or soil that reduces the amount of leachate that needs to be treated.

**Disposal.** Some of the latex paint collected through the program is solidified for proper disposal. In this process, liquid paint is combined with drying agents and turned into a solid suitable for landfill.

## Oil-Based Paint Management

As with latex paint, the condition of oil-based paint received by the program may limit its management options. Although it is possible to recycle oil-based paint back into paint, no processors in the United States offer this option at this time. The following waste management hierarchy is used for oil-based paint.

**Reuse.** As with latex paint, the program supports oil-based paint reuse and provides monetary compensation. Users of “previously owned” oil-based paint are notified that the suitability of the product cannot be guaranteed, and they are required to sign a waiver form before taking oil-based paint for reuse from a PaintCare site.

**Fuel.** Oil-based paint that is not reused is used as fuel by either cement kilns or incinerators. Oil-based paint is consolidated and blended with other compatible wastes to a prescribed standard. The resulting blend is then used as a fuel. The kilns and incinerators processing the oil-based paint are fully permitted for the necessary federal, state, and local requirements for hazardous waste management and monitor air emissions and kiln ash for permit compliance. Managing oil-based paint in this manner offsets the amount of other sources required to fuel the kilns and incinerators.

## Non-Program Product Management

Although drop-off sites are trained and instructed to screen out non-program products, a small amount enters the program and is screened out during the sorting process by PaintCare’s transporters and downstream processors. Non-program product wastes are recycled or disposed of as hazardous waste by downstream processors.

### I. EMPTY PAINT CONTAINERS

When feasible, empty metal and plastic paint containers are recycled. PaintCare works with its service providers to identify and utilize opportunities as markets permit.

## Section 5. Education and Outreach

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### Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

(a) The plan shall address the following:

(8) Describe education and outreach efforts to inform consumers of collection opportunities for postconsumer paint and to promote the source reduction and recycling of architectural paint for each of the following: consumers, contractors, and retailers.

### Section Overview

This section discusses:

- ◆ Messages
- ◆ Target audiences
- ◆ Outreach methods

### A. INTRODUCTION

The program conducts education and outreach using a variety of communication tools, including:

- ◆ Print materials (e.g., brochures, fact sheets)
- ◆ Print advertising (e.g., newspaper)
- ◆ Online (e.g., website and social media)
- ◆ Direct, face-to-face communications (e.g., home shows, retail site visits, presentations)
- ◆ Public radio

### B. MESSAGES

**Reduce, Reuse, Recycle.** The *Reduce, Reuse, Recycle* message commonly used by waste management programs has been reworded by PaintCare for paint stewardship as *Buy Right, Use It Up, Recycle the Rest*. Instead of instructing people to simply buy less, PaintCare's Buy Right message encourages people to take measurements of the space they are painting before going to buy paint, and asking their paint store expert for assistance in deciding how much paint to buy. The Use It Up message has two parts: Use up paint on your own or donate/give it to an organization or individual

that can use it. Finally, the Recycle the Rest message instructs people to take unwanted leftover paint to a PaintCare drop-off sites so it can be recycled.

**Program Awareness.** Another critical messaging component involves building general awareness of the PaintCare program. Key messages for this element include:

- ◆ What PaintCare is and why it exists
- ◆ Why the paint stewardship law was passed (e.g., product stewardship, cost savings to municipalities)
- ◆ The purpose and amount of the PaintCare fees on new paint
- ◆ Which products are accepted in the program and which products are not

## C. TARGET AUDIENCES

- ◆ Consumers include anyone who purchases architectural paint, whether they are households, businesses, or anyone who has paint to recycle or dispose of. Consumers will be targeted with messages about buying the right amount of paint, reuse, and recycling paint a drop-off sites.
- ◆ Painting contractors are a subset of consumers most affected by the PaintCare program. PaintCare reached out to this group prior to the start of the program to inform them of the fees and new opportunities to recycle paint through the program. This group will continue to be targeted with all of PaintCare's messages, with a focus on using drop off sites for their leftover paint, and use of the large volume pick-up service.
- ◆ Retailers have specific responsibilities under the paint stewardship program. They need to check that the products they sell are registered with the program, pass on the fee to consumers, distribute public outreach materials, and they may also volunteer to become drop-off sites. PaintCare's outreach effort going forward will center on reminding retailers of their responsibilities, especially that they are required to distribute information about the program to consumers.

## D. OUTREACH METHODS

### Outreach in the First Year

In the first year of the program, PaintCare phased in outreach in a very deliberate "soft launch" with very little outreach in the first months of the program other than distribution of brochures, posters, and fact sheets through retailers. In the second month PaintCare began to use public radio



sponsorship messages. In the fourth month, general newspaper ads were introduced, and month by month, PaintCare added more advertising. After 12 months, this included digital video ads, magazine ads, direct mail to realtors, local newspapers statewide to list drop-off sites, signs on buses, and small local media releases to welcome new sites into the program. By all measures, the outreach has been effective, helping to increase awareness and use of the program.

## Continuing Outreach Strategies

**Printed Materials.** Prior to the start of the program, PaintCare sent retailers a “starter pack” of consumer point-of-sale (POS) outreach materials. Revised materials were mailed to all paint retailers before the fee change in August 2016. In addition, POS materials are available and distributed to all retailers year-round.

PaintCare has developed these print materials to promote the program and will continue to distribute them for use by paint retailers, other types of drop-off sites, and others (e.g., government offices, real estate agents). Illustrations of these materials are shown here:



Brochure, Mini Card, Program Poster, Counter Mat, Painting Contractor Fact Sheet, LVP Service Fact Sheet

Full-size versions of each of the following materials are included in the appendix and can be downloaded from [paintcare.org/vt](http://paintcare.org/vt):

- ◆ Brochures and mini cards designed to help the public find drop-off sites and explain the program and fees.
- ◆ In-store posters and counter mats for the paint counter or checkout to provide general information about the program.
- ◆ Fact sheets formatted for easy printing and available from the PaintCare website. Fact sheets used the most are those for painting contractors and potential users of the large

volume pick-up service. Other fact sheets provide an overview of program requirements for retailers, reuse program, HHW programs, transfer stations, and other sites.

- ◆ Window posters and signs to identify and promote a drop-off location and direct the public to PaintCare for more information about the program.

**Signage.** PaintCare developed a number of signs for drop-off sites to help them let the public know about the program, screen program products, and address concerns they have about illegal dumping. Drop-off sites may order the following signs: Program Products Sign (English/Spanish), Program Partner Sign, Combination (program partner with simplified products list), No Dumping, and Please Wait for Assistance. Larger versions of these signs are included in the appendix can be found online at [www.paintcare.org/signs](http://www.paintcare.org/signs).



**Website and Site Locator.** PaintCare’s site locator is easy to use and helps households and businesses find the nearest paint drop-off site.

The website also includes information about source reduction, reuse and recycling for all three audiences (consumers, contractors, and retailers) and has dedicated pages for each audience.

**PaintCare Hotline.** PaintCare operates a weekday hotline to assist the public with finding the nearest drop-off site and to answer questions about the program. The primary hotline staff person speaks English and Spanish.

**Social Media.** PaintCare’s national Facebook presence has grown significantly in the past year. Facebook will be used to promote paint stewardship principals of buying the right amount of paint, using up leftovers, as well as passing paint to someone who can use it, and recycling it at a drop-off site.

**Face-to-Face.** PaintCare’s Vermont program manager will continue to make presentations to stakeholders and attend selected home shows, painting contractor pro-shows, and other in-person outreach activities.

**Joint Projects with Local Government.** PaintCare offers to support local governments that wish to co-promote PaintCare along with their other waste or recycling outreach. Local government agencies may request design assistance and financial support proportional to the advertising dedicated to PaintCare. The joint outreach projects fact sheet and form included in the appendix provide additional details.

**Public Radio.** Vermont Public Radio has proven to be an excellent medium for reaching PaintCare's consumer audience. When the financial position of the program improves, and if participation decreases, PaintCare will resume newspaper advertising.

**Newspaper Ads.** PaintCare previously advertised individual sites in local newspaper, and discontinued newspaper advertising in summer 2015. When the financial position of the program improves, and if participation decreases, PaintCare will resume newspaper advertising.

### **Outreach Firm**

PaintCare conducts marketing activities for all New England states with one agency, Connecticut-based-Mascola Group. Mascola manages media buying (and issue press relations, if needed) in Vermont.

### **In-House Design**

Most materials (e.g., brochures, fact sheets, newspaper ads), website, and online/social media are designed by PaintCare's in-house communications team and customized for each state or jurisdiction. These design expenses are not part of the Vermont outreach budget; they are rolled into corporate costs, of which Vermont pays its relative portion as described in the budget discussion of this plan.

## Section 6. Paint Sales and Projected Collection Volumes

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### Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

(a) *The plan shall address the following:*

(6) *Establish goals to reduce the generation of postconsumer paint, to promote the reuse of postconsumer paint, and for the proper management of postconsumer paint as practical based on current household hazardous waste program information.*

### Section Overview

This section discusses:

- ◆ Architectural paint sales in Vermont
- ◆ Studies and data regarding available collection volumes of postconsumer architectural paint
- ◆ Projected collection volumes – past and future

### A. PAINT SALES

Due to complex distribution chains that often include layers of distributors between a manufacturer and final point of sale, most manufacturers do not know the volume of their paint sold into each individual state. To address this, PaintCare commissioned a study in 2012 by a research firm specializing in coatings industry analysis and economic forecasting. The firm utilized key indicators including existing home sales, housing starts, state-level employment rates and commercial vacancy rates to build a national and state-level model for predicting annual sales of architectural paint. While the results of the study were relatively accurate for several states that launched PaintCare programs prior to Vermont, they were off significantly for Vermont, where sales were 42% below projections for the first year of the program. This led to the need for a fee increase in 2016 to increase program revenue.

Since the launch of the program, actual paint sales have been reported to PaintCare. As a result, better planning is possible for future year budgets, though sales may also fluctuate – increase or decrease – at any time in response to economic conditions, weather, and other unpredictable factors.

## B. PROJECTED COLLECTION VOLUME AND RECOVERY RATE

Paint is designed to be fully consumed through application to walls, buildings, and other surfaces. Although the amount of postconsumer paint received through collection programs is measurable, it is difficult to determine the total quantity of postconsumer paint that is leftover, unwanted, and available for collection at any given time. The lag time between the purchase of paint and the decision that the unused product is unwanted and the additional time taken to return it to a drop-off site can vary greatly by individuals. Architectural paint products also have a long shelf-life, so consumers purchasing paint in one year may not decide that the unused portion is unwanted for several years.

Prior to the start of the program, and as discussed in the original program plan, PaintCare considered data from several studies on leftover paint volumes and examined long-running Canadian paint collection programs and PaintCare's longest running program in Oregon to anticipate the volume of paint that would be collected in Vermont. The studies and data concluded that about 10% of paint is leftover annually, and that mature paint collection programs could retrieve up to 75% of the leftover paint, equating to a 7.5% recovery rate. [Note: ANR uses the term recovery rate for other waste management programs to mean the percentage of a material collected that is recycled. PaintCare uses it to mean the volume of paint collected (or more accurately, processed) divided by the volume of paint sold in the same period.]

The recovery rate in Vermont was significantly higher than anticipated as shown in the following table.

### GALLONS SOLD AND PROCESSED, AND RECOVERY RATES

	YEAR 1 MAY 2014 – JUNE 2015 (14 MONTHS)	YEAR 2 FY2016 (12 MONTHS)
Gallons Sold	1,209,990	1,070,534
Gallons Processed	116,691	108,466
Recovery Rate	9.6%	10.1%

The exact reasons for the high recovery rate are unknown.

While it is possible that a large portion of paint collected in the first two reporting periods was stored up paint from many years of accumulation, collection volumes remained high into the third year, indicating either that there are still large volumes of stored up paint to clear out or that Vermont participation is simply higher than in other paint collection programs.

If the latter, a higher participation levels might be explained by the fact that Vermont had a substantial number of HHW programs prior to the PaintCare program so residents of the state may be well informed and accustomed to using HHW/paint management services.

Vermonters are also known to be very environmentally conscious. The state has ranked as the greenest or most eco-friendly by a number of sources. Being so environmentally-minded may contribute to Vermont's high paint recycling rates.

The cause could also be related to sales. Sales may have been down during the last few years due to economic or other local reasons, but the volume of paint collected remained high, leading to a higher recovery rate to be higher.

Without knowing the reason, PaintCare chose to assume that the recovery rates will remain high and adjusted its fee structure in 2016 to allow for a financially-sustainable program with a high recovery rate.

## Section 7. Budget and PaintCare Fee

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### Statutory Citation

10 V.S.A. § 6673. PAINT STEWARDSHIP PROGRAM

*(b) The producer or stewardship organization shall submit a budget for the program proposed under subsection (a) of this section, and for any amendment to the plan that would affect the program's costs. The budget shall include a funding mechanism under which each architectural paint producer remits to a stewardship organization payment of a paint stewardship assessment for each container of architectural paint it sells in this State. Prior to submitting the proposed budget and assessment to the Secretary, the producer or stewardship organization shall provide the budget and assessment to a third-party auditor agreed upon by the Secretary. The third-party auditor shall provide a recommendation as to whether the proposed budget and assessment is cost-effective, reasonable, and limited to covering the cost of the program. The paint stewardship assessment shall be added to the cost of all architectural paint sold in Vermont. To ensure that the funding mechanism is equitable and sustainable, a uniform paint stewardship assessment shall be established for all architectural paint sold. The paint stewardship assessment shall be approved by the Secretary and shall be sufficient to recover, but not exceed, the costs of the paint stewardship program.*

### Section Overview

This section discusses:

- ◆ PaintCare's funding mechanism
- ◆ Budget categories
- ◆ Annual budget
- ◆ Fee structure
- ◆ Independent audit

### A. INTRODUCTION

Critical to the success of the Vermont Paint Stewardship Program is a sustainable funding mechanism. Architectural paint manufacturers – through representation by PaintCare – must establish a funding system to cover the full cost of implementing the program.

The PaintCare program works by placing a paint stewardship assessment (PaintCare fee) on each container of architectural paint sold in Vermont. The fee must be set at a rate to cover, but not exceed, the cost of implementing the program.

## B. FUNDING MECHANISM

As the representative organization, PaintCare directs and implements all aspects of the Vermont Paint Stewardship Program on behalf of participating manufacturers. Funding for program implementation comes from registered manufacturers to PaintCare through PaintCare fees on new paint sales. The following steps describe the process:

- (1) Manufacturers add the PaintCare fee to the wholesale price of all architectural paint they sell in Vermont (in containers of 5-gallons and smaller).
- (2) Retailers and distributors pass the PaintCare fee to their customers by including it in the price of architectural paint for sale in Vermont.
- (3) When consumers buy architectural paint in Vermont, the PaintCare fee is included in the purchase price. As a result, retailers (and distributors) recoup the fees they pay when purchasing architectural paint from their suppliers.
- (4) Within a designated timeframe (typically monthly), manufacturers report sales of architectural paint for the previous reporting period and remit to PaintCare the corresponding PaintCare fees. Manufacturers recoup the fees they are paying to PaintCare because the fees are included in their wholesale price when they sell the paint to their dealers.

## C. BUDGET CATEGORIES

The following provides a general description of the budget categories discussed in this section.

**Revenue.** Program revenue is derived from fees placed on new paint sales. Paint containers are categorized into four sizes, each with a different fee rate.

**Paint Processing.** Paint processing is the largest expense of the program. It is billed based by weight (per pound) or by the bin, and includes the cost of sorting mixed bins of latex and oil-based paint.

**Paint Transportation.** Paint transportation is another significant expense. It is billed by the bin and includes a minimum stop charge.

**Collection Supplies and Support.** Collection supplies include paint collection bins (single-use and reusable), spill kits, training materials, and miscellaneous supplies for drop-off sites to maintain safe and clean operations.

**Communications.** Communications costs include advertising and promotional materials to increase awareness of the program and use of the drop-off sites.

**Personnel, Professional Fees, and Other.** This category includes a portion of the salary (based on relative state populations) of one full-time employee managing the Vermont and Maine programs, legal costs for negotiating contracts, travel, office supplies, and other logistical and professional support.

**State Administrative Fees.** PaintCare pays ANR an annual administrative fee of \$15,000.



**Corporate Activity.** Corporate expenses (referred to as administrative expenses in the original program plan) are shared by all states and jurisdictions that have passed a paint stewardship law. They include the salaries of corporate staff who work on activities for all states (e.g. communication staff), construction of data management systems, PaintCare-wide financial audits, legal fees, and general communications. Allocation of corporate expenses is based on the relative population of the state/jurisdiction (when the population of all PaintCare states/jurisdictions are combined). Vermont’s current allocation is 1.1% of corporate expenses.

## E. BUDGET AND FEE STRUCTURE

The annual budget and fee structure in this plan are the same as the one in the March 2016 program plan. Annual sales appear to have decreased in the third year of the program (July 2016-June 2017), resulting in less revenue than projected and shown in the budget below. However, expenses have also been lower than projected during this same period; therefore, PaintCare is not proposing any changes to the budget or fees approved in 2016 and presented below. PaintCare will be watching revenue and expenses carefully each month to ensure the new fee structure is sufficient to cover program costs.

REVENUE	BUDGET
Larger than half pint to smaller than 1 gallon	\$ 114,000
1 gallon	635,000
Larger than 1 gallon up to 5 gallons	115,000
Total revenue	864,000
EXPENSES	
Paint processing	470,000
Paint transportation	110,000
Collection supplies and support	80,000
Communications	25,000
Personnel, professional fees, and other	48,000
State administrative fees	15,000
Allocation of corporate activity	43,000
Total expenses	791,000
Change in net assets (revenue less expenses)	73,000

## Program Deficit

As of June 30, 2016, the program carries a deficit of approximately \$600,000. The revised fee structure and budget provide approximately \$70,000 in surplus annually, resulting in a 9-year pay off period of the deficit.

## D. FEE STRUCTURE

The following fee structure was approved in 2016 by ANR with a revision request in August 2021 to include 2 gallon containers in the 1 gallon container fee category. The original fee structure is also shown for historical purposes.

CONTAINER SIZE	ORIGINAL FEE	CURRENT FEE
Half pint or less	\$ 0.00	\$ 0.00
More than half pint to less than 1 gallon	\$ 0.35	\$ 0.49
1 gallon up to 2 gallons	\$ 0.75	\$ 0.99
Larger than 2 gallons up to 5 gallons	\$ 1.60	\$ 1.99

## F. AUDIT OF THE PAINTCARE FEE

The budget and fee structure presented in the 2016 program plan were reviewed by an independent auditor. The auditor reviewed the budget and fee structure to ensure they are cost-effective, reasonable, and limited to covering the cost of the program.

Since the budget and fee structure in this program plan are the same as the 2016 program plan, a new audit was not necessary. A copy of the auditor's letter from the 2016 program plan is included in the appendix.

## *Section 8. Annual Report and Financial Audit*

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### **Statutory Citation**

*10 V.S.A. § 6677. PRODUCER REPORTING REQUIREMENTS*

*No later than October 15, 2015, and annually thereafter, a producer or a stewardship program of which the producer is a member shall submit to the Secretary a report describing the paint stewardship program that the producer or stewardship program is implementing as required by section 6673 of this title.*

### **Section Overview**

This section discusses:

- ◆ Content of the required annual report
- ◆ Content and process for the required annual financial audit

### **A. ANNUAL REPORT**

PaintCare submits an annual report by October 15 of each year to ANR. The first annual report covered the 14-month period of May 1, 2014 – June 30, 2015. The second covered July 1 2015 – June, 30 2016 and all future reports will cover the 12-month period of July 1 – June 30.

At a minimum, the annual reports include:

1. A description of the methods the producer or stewardship program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint statewide in Vermont.
2. The volume and type of postconsumer paint collected by the producer or stewardship program at each collection center in all regions of Vermont.
3. The volume of postconsumer paint collected by the producer or stewardship program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal.
4. An independent financial audit of the paint stewardship program implemented by the producer or the stewardship program.
5. The prior year's actual direct and indirect costs for each program element and the administrative and overhead costs of administering the approved program.
6. Samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

## **B. FINANCIAL AUDIT**

PaintCare undergoes an annual, independent financial audit of the organization as a whole. The audit firm is chosen, periodically, through a competitive bid process. The cost of the audit is shared by all PaintCare states, and is paid by the PaintCare fees.

While the audit is conducted of the organization as a whole, it also serves as the annual audit, conducted by an independent auditor, of the total cost of implementing the Vermont Paint Stewardship Program. The independent audit report contains a Schedule of Activities that displays the Vermont program as a business unit.

The independent audit is conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the auditing firm plan and perform the audit to obtain reasonable assurance that financial statements are free of material misstatements. The audit also includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements; evaluation of the accounting principles used and any significant estimates made by management; and appraisal of the overall financial statement presentation. PaintCare includes the audited financial statements with its annual reports to ANR.