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**Solid Waste Disposal =
\$30 billion in 1992**

Waste disposal costs rose
more than 17% between
1988 and 1990



MSW Costs Are Rising

- Focus on MSW services is increasing
- MSW percentage of total municipal budget is growing

*Solid waste disposal =
\$30 billion in 1992*

- Do you know how much your solid waste program really costs?
- Is it cost-effective?
- Is it sustainable in the long term?



Why Is Cost Information Important?

- Make informed decisions about programs/services
- Improve efficiency
- Better prepare/plan for the future

Full Cost Accounting

=

Full Information

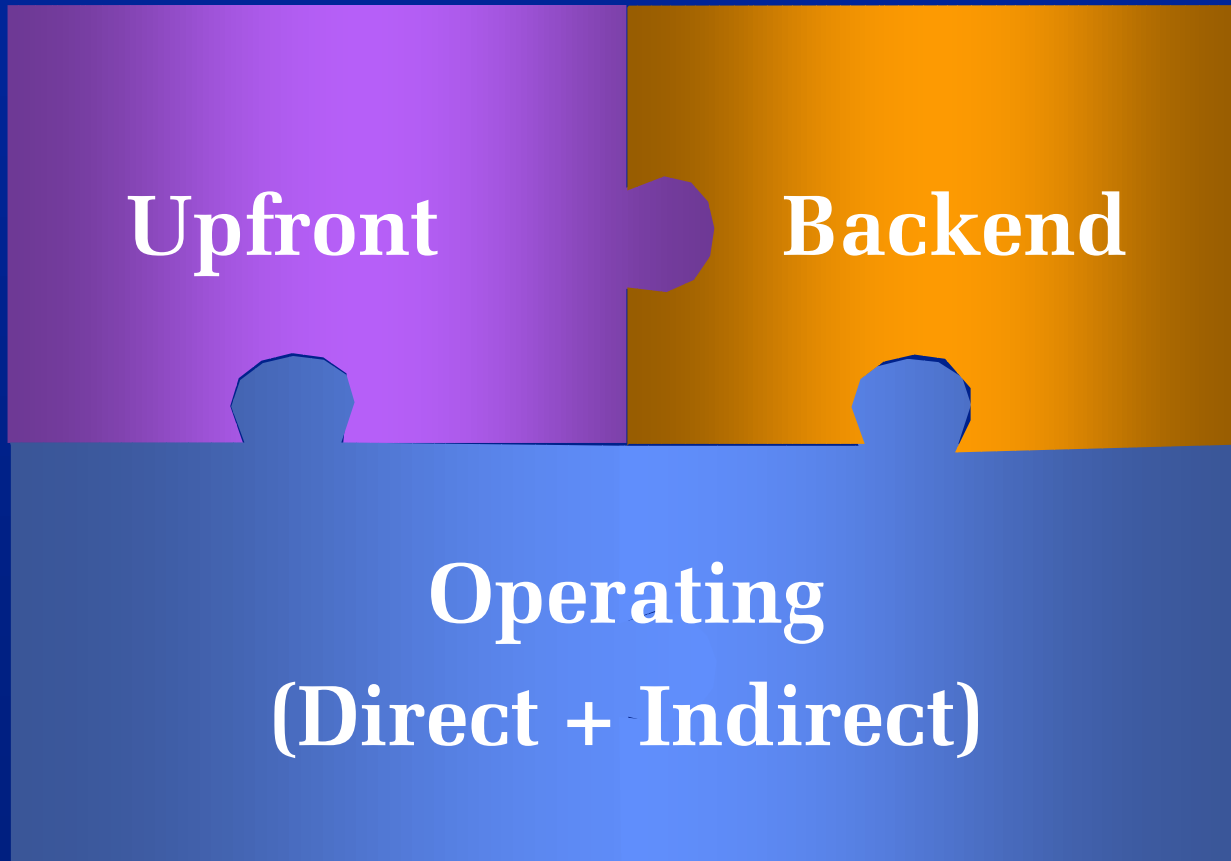
- What is full cost accounting?
- How are communities using it?
- How is EPA involved?



What Is Full Cost Accounting?

- No official definition
- Not strictly an accounting issue but requires accounting inputs
- Working definition: *Systematic approach for identifying and characterizing the cost of providing solid waste management services*

What Are the “Full Costs”?



FCA Does Not Equal TCA

“True cost accounting”

=

FCA costs

**Environmental
costs**

+

Social costs

Health costs

FCA Vs. Cash Flow Accounting

All resources used or committed

VS.

Current outlays of cash

Uses of Full Cost Accounting

- Making decisions
- Planning and setting goals
- Evaluating program
- Educating citizens
- Negotiating with vendors

Barriers to Full Cost Accounting

- Political opposition
- Resistance from private sector
- Lack of standardized methodology
- Accounting system changes
- Cost allocation

Full Cost Accounting In Practice

Mandated FCA:

- Florida
- Indiana
- Georgia
- North Carolina

Voluntary FCA:

- Laramer County, Colorado
- Phoenix, Arizona
- Shawnee County, Kansas
- Houston, Texas
- Bethel, Maine

Full Cost Accounting in Practice

Phoenix, Arizona:

- **Provides best service for least cost**
 - City bids with private companies for waste management services
 - Purchased better equipment
 - Extended life of landfill
- **Made program more cost-effective, especially in times of recession**

Full Cost Accounting in Practice

Palm Beach County, Florida:

- Tracks and analyzes project activities
- Makes long-term projections
- Evaluates trends in costs
- Assesses and changes rates when necessary

Full Cost Accounting In Practice

Franklin, Indiana:

- Realized unseen costs
- Implemented streamlining actions such as contracting out waste services
- Started a curbside recycling program

Full Cost Accounting In Practice

Bethel, Maine:

- Re-evaluated fees charged to residents for municipal services
- Adjusted fees to cover the true cost of services

Why Is EPA Involved with FCA?

- Promote good management practices
- Help communities control waste management costs
- Encourage unit-based pricing and enterprise funds

Unit-Based Pricing and Enterprise Funds

Unit-based pricing:

- “Pay as you throw”
- Establishes equitable rates

Enterprise funds:

- Run municipal services like private business
- Account for all costs, no matter how small

Outreach

Outreach
Strategy

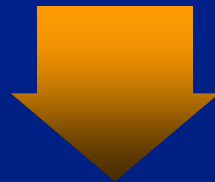
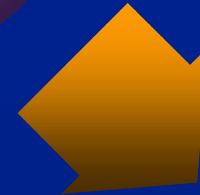
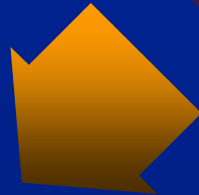
Technical
Guidance

Workgroup

Action
Agenda

Satellite
Forums

Outreach Materials:
Primer, Resource
Guide, Brochure



Conclusion

- Make more informed decisions
- Take the challenge
- Help promote full cost accounting