



Financing

Checklist for Recycling Council program plan review

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Focal plan section: Financing (base fees, graduated fees, alternative membership fee structure, adequacy of financing)

Required or Guidance Plan Component	Statute or Rule Citation	Plan Section(s)	Summary of DEQ Recommendations That Were Outstanding After Draft 2	Order Recommended by ORSAC to Meet Requirements
Description of how the prospective PRO will establish, calculate and charge membership fees to member producers, including	ORS 459A.875(2)(a)(E)	<ul style="list-style-type: none"> • Financing (besides Product Speciation subsection), pg 190-223 • Appendix E, Itemized Budgets by Program Year, pg E49-54 • Appendix G, Detailed Fee-Setting Methodology, pg G1-G14 	Recommendations pertaining to specific requirements follow below.	
the schedule of membership fees (base rates), accompanied by rationales for:	ORS 459A.875(2)(h)	Draft Base Fee Schedule Ranges, pg 197-203	Update the fee schedule to indicate the base fee amounts for all 60 material categories.	
How the schedule ensures that higher fees are charged for non-recyclables than for recyclables on a weighted-ton average basis; and	ORS 459A.884(3)(a)	<ul style="list-style-type: none"> • Meeting the Statutory Requirement, pg 206-208 	Apply the discretionary state-adjustment factor to the updated fee schedule.	

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How the schedule ensures, to the extent possible, that materials do not cross-subsidize one another.	ORS 459A.884(3)(b)	<ul style="list-style-type: none"> Appendix G, Detailed Fee-Setting Methodology, pg G1-G14 Development of the Base Fee Algorithm, pg 193-196 	DEQ's recommendations pertaining to Appendix G are confidential.	
the algorithms by which fees will be calculated	ORS 459A.875(2)(a)(E)			
any producer fee incentives other than graduated fee adjustments that will be offered;	n/a	Producer Fee Incentives Other than Graduated Fee Adjustments, pg 205	No outstanding recommendations.	
Graduated fee algorithm and methods, including	ORS 459A.875(2)(a)(E)-(F) and ORS 459A.884(4)	Graduated Fee Algorithm and Methods, pg 209-220	<p>Include additional detail on Bonus B (e.g. bonus magnitude and cap amount, business and eligibility rules, etc) so that an equally detailed vision for the implementation of Bonus B as for Bonus A is presented.</p> <p>Move the start date for Bonus B one year earlier, to the 2027 fee year.</p> <p>Add language or a table laying out the rationales for various key design decisions and how they are aligned with the overall goal of delivering continual impact reduction.</p>	
the algorithm for the graduated fee approach, indicating the criteria and magnitude of modulation;	ORS 459A.884(4) and ORS 459A.875(2)(a)(E)	The Algorithm and Accompanying Descriptive Text for the Proposed Graduated Fee Structure, pg 209-217		
Inclusion of both penalties and rewards in the approach to graduated fees	ORS 459A.884(4)			

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Accompanying descriptive text explaining how the algorithm will deliver continual reductions in the environmental and human health impacts of covered products	ORS 459A.884(4) & ORS 459A.875(2)(a)(F)			
a description of the factors taken into consideration in development of the approach, and how their incorporation contributes to continual incentivization and disincentivizing of producer choices that actually correlate to meaningful environmental benefit. The following five factors must have been considered according to statute:	ORS 459A.875(2)(a)(F) and ORS 459A.884(4)(a)-(e)	Consideration of Other Ecomodulation Factors, pg 218-220	No outstanding recommendations.	
The post-consumer content of the material, if the use of post-consumer content in the covered product is not prohibited by federal law		Post-Consumer Content of the Material, pg 153-218		
The product-to-package ratio		Product-to-Package Ratio, pg 218		
The producer's choice of material;		Producer's Choice of Material, pg 219		

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Life cycle environmental impacts, as demonstrated by an evaluation performed in accordance with ORS 459A.944; and		Life Cycle Environmental Impacts, pg 219		
The recycling rate of the material relative to the recycling rate of other covered products.		The recycling rate of the material relative to the recycling rate of other covered materials, pg 219-220		
a description of how the PRO will maintain financial solvency (specifically, how loss of revenue due to ecomodulation rewards will be paid for).	ORS 459A.875(2)(a)(E)	Funding the Bonuses, pg 215-216	Add supporting rationales explaining why the proposed approaches for where to draw bonus funding from are best for delivering continual incentivization of impact reduction, while also respecting the principle that cross-subsidization be limited in fee-setting.	
Alternative membership fee structure proposal (if applicable): Per ORS 459A.884(5), the PRO could propose an alternative fee structure that does not adhere to the requirements of ORS 459A.884(2)-(4) but still delivers cost-proportional product differentiation and incentivizes less impactful producer behavior. A proposal of an alternative membership fee structure could explain	ORS 459A.875(2)(a)(E) and ORS 459A.884(5)	Alternative Membership Fee Structure (if Applicable), pg 221	N/A (CAA did not to propose an alternative membership fee structure).	
How it will ensure that products don't cross-subsidize each other.	ORS 459A.884(5)			

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How it will incentivize less impactful producer behavior.	ORS 459A.884(5)			
How it will not incentivize non-recyclable materials, which DEQ views as an undesirable outcome (although an alternative membership fee structure would not be strictly held to charging more on average for non-recyclables than for recyclables, i.e., the requirement imposed by ORS 459A.884(3)).	n/a			
Inclusion in the fees approach of uniform membership fees for members that had a gross revenue of less than \$10 million for the organization's most recent fiscal year, or sold in or into Oregon less than five metric tons of covered products for use in this state in the most recent calendar year.	ORS 459A.884(6)	Flat Fees, pg 203-204	Update the fee amounts to reflect updated program cost projections.	
Adequacy of financing: this subsection could contain:	ORS 459A.875(2)(i)	Adequacy of Financing, pg 222-223	Update this section to reflect the updated program cost estimates, fee schedule, reserve amounts, and reserve rate of accumulation, as necessary.	
demonstration that the membership fees collected will provide adequate revenue to fund all costs associated with the				

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<p>producer responsibility program. A fee schedule that does not appear to generate sufficient revenue, meaning that program delivery would depend upon funding from other sources, could be cause for plan rejection. Included in this subsection could be:</p>				
<p>a description of the prospective PRO's approach to reserve funds or other contingencies for responding to financial hardship. For example, a prospective PRO could set a minimum and a maximum reserve budget, defined as a proportion of the annual operating budget.</p>	<p>ORS 459A.875(2)(m)</p>	<p>Program Reserves and Contingencies, pg 222-223</p>		
<p>Itemized system costs for 2025, 2026, and 2027 (for later years, may be appropriate to collapse the itemization or provide ranges), including:</p>	<p>n/a</p>	<ul style="list-style-type: none"> • Appendix E, Itemized Budgets by Program Year, pg E49-54 • Local Government Funding Schedule, pg 31-41 	<p>Update the budgets to reflect ORSOP results and improved estimations of program costs.</p> <p>Provide amounts to be spent on recycling system expansion per local government.</p>	
<p>Total amount to be spent on recycling system expansion.</p>	<p>OAR 340-090-0790(2)(b)</p>		<p>DEQ welcomes clarity as to whether or not newspaper and magazine publishers that</p>	

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Amounts to be spent on recycling system expansion per individual local government.	OAR 340-090-0790(1)(e)	<ul style="list-style-type: none"> • Publisher In-Kind in Lieu of Paying Fees (Print and Online Advertising), pg 196 	provide in-kind advertising at a value commensurate with their fee amount will need to pay a portion of base fees to cover administrative costs.	
Itemized system costs incurred before the start date.	n/a			
Administration and operations costs of the PRO (aggregated).	n/a			
Forecasted reserve level amount.	ORS 459A.875(2)(m)			
Estimated revenues, including:	n/a			
Start-up funding;	n/a			
Member fees;	n/a			
Value of print and online advertising expected from newspaper and magazine publishers in lieu of membership fees; and	n/a			
Other revenue	n/a			
Cost of independent financial audits	n/a			

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