

1. Definitions.

- a. **Major investment need.** “Major investment need” means an identified need that requires more funding from the packaging stewardship fund than can be allocated to it during a single calendar year.

2. Investment criteria. Investment proposals must be submitted to the SO and meet the criteria below to be eligible for consideration by the SO and for ultimate approval from the Department. The primary objective of an investment must be to improve the management of packaging material. Proposals that improve the management of material other than packaging material- must be supported in full with ~~a commensurate source of~~ outside funding.

- a. In the case of proposals for new infrastructure, the proposal must designate the infrastructure as the property of ~~a the entity that is seeking funding or the ownership arrangement stipulated in the proposal- municipality, school administrative unit, or career and technical region unless the new infrastructure is designed specifically to enable reuse, in which case a 501(c)(3) can also be designated as the property owner.~~ These conditions do not apply to proposals for investments in education or improvements to existing infrastructure. The entity shall notify the SO is sold before it is fully depreciated, and the SO may require compensation for the undepreciated value of the asset, if it is not serving the original intended purpose of the investment proposal.
- b. The investment proposal must be submitted to the SO by either:
 - i. an entity that has demonstrated responsible use of and completed reporting requirements for any previous program funding received, or
 - ii. an entity that does not meet the criteria set forth in subsection i but has not received funding in ten years, since the inception of the first approved stewardship organization investment plan, and includes a detailed plan for responsible use of funding and completion of reporting requirements.
- c. The proposal must be submitted by an entity that has the capacity to execute the project or identifies third party subcontractors with that capacity, as shown by relevant experience.
- d. In the case of proposals for infrastructure, the proposal must be sustainable, as shown by projected revenues equal to or in excess of the funding required for operation.

- e. In the case of proposals for infrastructure, including pilot projects, the proposal must fulfill an unmet need and be cost effective, as shown by:
 - i. An analysis of current resources and throughput demonstrating that current resources are insufficient, or are expected to be so, and/or
 - ii. An analysis of throughput demonstrating that for every \$2000 of investment, expressed in January 2021 dollars and adjusted according to the U.S. Bureau of Labor Statistics' Consumer Price Index, there will be at least 1 ton of additional material recycled; or -
 - iii. In the case of pilot projects, the resources are sufficient to evaluate the project for both impact of the project and scalability to the entire State.
 - f. The proposal must be either:
 - i. a proven solution for improving the management of packaging material, or
 - ii. a pilot project that is designed to collect information on its efficacy as a solution for improving the management of packaging material throughout the State.
3. Statewide Needs Assessment.
- a. The SO must conduct a statewide recycling needs assessment within 18 months of entering a contract with the Department. The recycling needs assessment must include the following:
 - i. Identification of municipalities that do not provide for the collection and recycling of readily recyclable materials and an analysis of the amount of packaging material available for management.
 - ii. For each municipality or regional group of municipalities that do not provide for the collection and recycling of all readily recyclable materials, the assessment must identify the infrastructure necessary to:
 - 1. Collect one or two mixed packaging streams, or
 - 2. Collect packaging material separately by base material, and

- iii. The Department may request that the statewide recycling needs assessment provide an assessment comparable to that described in subparagraph i and ii for additional packaging materials that are not readily recyclable.
 - iv. The statewide recycling needs assessment must identify regional investments to efficiently manage packaging material, whether collected in one or two mixed packaging streams, or separately by base material, and provide an estimated range for the cost of those investments; ~~and~~
 - v. The statewide recycling needs assessment must provide a summary of the ways recycling infrastructure is used to manage reusable packaging material in other jurisdictions and examples of investment proposals that would allow for reusable packaging to be managed through municipal recycling systems in the State; and
 - vi. The needs assessment must evaluate transportation capacity, and needs for packaging materials across the State;
 - vii. The needs assessment must evaluate market conditions, commodity revenue, and demand for all base materials; and
 - ~~viii.~~ The needs assessment must evaluate consumer education resources that already exist through the State and gaps in those education efforts; as well as strategies for greater uniform statewide consumer education campaigns.
4. Submittal of investment proposals. Investment proposals must be submitted using a form provided and approved by the DepartmentSO.
 - a. The SO must provide a mechanism for accepting investment proposals from interested entities on an ongoing basis.
 - b. The Department-SO may work on the development of an investment proposal and may issue an informal request for investment proposals to meet an identified need.
 5. Annual evaluation of investment proposals.
 - a. Public comment. The SO must include summaries of the investment proposals it received during the previous calendar year in its annual report and provide a mechanism for requesting and receiving a full investment proposal. A summary must include the submitter's name, the purpose of the investment, a brief description of the work plan and proposed services, and the cost of the investment

proposal. For a period of 30 days after the SO posts its annual report, the Department will accept comments on the investment proposal summaries, and the Department will share comments received on its website.

- b. Stakeholder input. During annual reporting, the SO must include an optional survey that asks municipal reporting entities and producer reporting entities to comment on and rank investment proposals included in its annual report. Stakeholder comments and ranking received must be passed to the Departments with investment proposals by the second Monday in July.
 - c. SO's evaluation. The SO must provide an evaluation of each investment proposal that includes a determination on whether the proposal meets each investment criterion. The SO must include its evaluations when it passes investment proposals to the Department by the second Monday in July.
 - d. Department evaluation. The Department will evaluate each investment proposal, considered and ultimately submitted by the SO to the Department for approval, to determine whether the proposal meets each investment criterion.
 - e. Discussion. The SO and the Department will meet to discuss investment proposals including any differences between the SO and Department's evaluation of investment criteria and the SO's priorities for investment. If after discussion, the SO's and the Department's evaluations of an investment proposal still differ, the Department's decision will determine an investment proposal's eligibility for funding.
6. Funding availability.
- a. Allocating funding to major investment needs.
 - i. The Department-SO will develop and maintain a savings plan to fund major investment needs. The Department-SO will review the savings plan on an annual basis to allocate new funds to major investment needs and reallocate funds among major investment needs to accommodate any changes to priorities or timelines that arose during the previous calendar year. The SO must maintain a copy savings plan on its website. The savings plan includes the list of major investment needs, their estimated costs, and the years in which the Department-SO proposes plans to fund them.
 - ii. The Department may propose the addition of a major investment need to the savings plan, following submission by the SO. When proposing a major investment need, the Department must identify the investment need,

estimate its cost, and project the year in which it will fund the major investment need. A proposed major investment need should be included with investment proposals in the SO's annual report and in the optional survey provided to municipal reporting entities and producer reporting entities during annual reporting. The Department will consider comments provided, consult with the SO, and make adjustments as appropriate before adding a major investment need to the savings plan.

- iii. Two years prior to the projected investment year of a major investment need, the [Department SO](#) will issue an informal request for proposals to meet the identified investment need. The Department may approve an investment proposal that meets the identified need and the investment criteria, but the funding for an investment proposal must not be dispersed by the SO until the full amount required has been saved.
- iv. If a proposal meeting the identified need and the investment criteria is not received by the year in which the [Department SO](#) planned to fully fund a major investment need, the [Department SO](#) may reallocate funding to other investments including other major investment needs listed in the savings plan. Any funding that is not reallocated to fund other investments within three years must be made available for all program needs.

b. Defining available funding.

- i. The Department will not approve funding for investments such that expenditure would leave the stewardship fund with less than the required funding for one year of municipal reimbursements and program administration, as estimated from the prior year's expenditure.
- ii. The Department will approve investment proposals such that any funding percentages required by SECTION PROGRAM GOALS are met.
- iii. After the requirements of subsections i and ii are met, the [Department SO](#) will allocate funding to previously identified major investments in accordance with the savings plan.
- iv. After allocating funding to previously identified major investments, the Department may approve funding for new investment proposals.

- c. Preferences for funding. When available funding does not allow for the approval of all proposals that meet the investment criteria, they will be prioritized based on the funding preferences identified in *Stewardship Program for Packaging* of 38 M.R.S. §2146(11)(C) *Investments in Education and Infrastructure*.

7. Department approval of investment proposals. The Department will approve or deny each investment proposal within 90 days of receipt [from the SO](#).
8. Communication of investments. In an annual report, the SO must include the amount of investment funding approved during the prior calendar year and a description of the approved investment proposals. The annual report must also include any reported results for ongoing pilot projects and pilot projects completed during the prior calendar year.