Mattress Recycling Council®

2027 Budget
OREGON

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2027 Mattress Stewardship Program Budget

ORS 459A.174 requires that no later than July 1 of each year, MRC shall prepare and submit to DEQ a mattress stewardship program operating budget that follows the requirements in ORS 459A.159 for the upcoming calendar year that includes:

a) Anticipated revenues from the assessment collected on sales of mattresses and foundations (collectively referred to as “mattresses” or “units” in this budget) and costs of implementing the program, including:
   1. Collection, transportation and processing of program mattresses;
   2. Administrative costs of the mattress stewardship program;
   3. Costs of compensating collection sites for their reasonable actual costs to collect and manage discarded mattresses;
   4. Anticipated amount of moneys that the stewardship organization will hold in unallocated reserve funds;
   5. Annual fee to be paid to the Oregon DEQ pursuant to subsection (3) of ORS 459A.174.

Pursuant to these provisions, MRC has calculated an assessment sufficient to cover the Plan’s budgeted costs and to accumulate a sufficient reserve to operate the program over a multiyear period in a prudent and responsible manner.

This budget includes (A) projected 2026 revenue and expenses and (B) budgeted revenue and expenses for 2027.

In preparing its 2027 budget, MRC has taken into consideration not only its planned activities for 2027 but also its actual revenue and expenses experienced in 2025 and the first quarter of 2026 (Q1), as well as projections for the remainder of 2026.

Revenue

Funding for program implementation and ongoing operations comes from a mattress stewardship assessment collected at the point of sale (retail or otherwise). Retailers must report the number of units sold each month and submit all assessments collected to MRC by the end of the following month in which the sale occurs.

MRC is projecting 2027 program assessment revenue of $8,499,915 and is forecasting 2026 assessment revenue of $8,333,280, 2.8% below the budget of $8,569,620. In calculating budgeted revenue, MRC has used (A) a per-unit assessment of $22.50, and (B) an estimate of the number of units that Oregon consumers will buy during the relevant calendar year.

In estimating the number of units that Oregon consumers will buy in 2027, MRC considered 2025 and Q1 2026 actuals in Oregon and the International Sleep Products Association (ISPA) Industry Forecast for 2026 and 2027, which is a forecast of mattress sales for the mattress industry in the United States. Nationwide, 2026 projected sales are expected to be 0.5% higher than the 2025 actual levels, and 2027 is expected to be 2% above 2026. These estimates are lower than previously planned. Mattress sales in 2026 are expected to be largely flat, reflecting ongoing economic uncertainty, a lackluster housing market, and cautious consumers who are closely managing discretionary spending. Growth is expected to modestly improve in 2027, with sales projected to increase by low single digits as conditions gradually stabilize. Based on this information, MRC estimates that revenue will be collected on 370,368 and 377,774 units for 2026 and 2027, respectively. In addition, MRC estimates that late fees, collected from late reporters, for 2026 and 2027 will be $2,500 each year.

Based on these assumptions, MRC anticipates that units sold and revenue for 2026 and 2027 will be as follows:

TABLE 1: Revenue Calculation

Category	2026 Projection	2027 Budget
Units Sold	370,368	377,774
Assessment Revenue $22.50/unit	$ 8,333,280	$ 8,499,915
Late Fee Revenue	$ 2,500	$ 2,500
Total Revenue	**$ 8,335,780**	**$ 8,502,415**

Expenses

Operational Costs

Operational costs to recycle program units are driven by the number of units collected and include collection, transportation, processing, efforts to mitigate illegal mattress dumping, various program studies (illegal dumping, life cycle analysis, convenience, etc.), compliance audits, and field visits to collection sites, recyclers, and transporters.

Based on MRC's experience operating other statewide mattress recycling programs, operational experience in Oregon during 2025, anticipated expansion of the collection network and Oregon's Q1 2026 data, MRC estimates that recyclers will process 199,571 units in 2026 and 225,941 units in 2027.

TABLE 2: Units Sold and Units Recycled

Units	2026 Projection	2027 Budget
Number of Units Sold	370,368	377,774
Number of Units Recycled	199,571	225,941

Note that there will always be a differential between units sold and units recycled. This is due to several factors including a significant time differential between when a unit is purchased and ultimately discarded years later. In 2022, MRC conducted a study to estimate the average time between when units are manufactured and then discarded through the program, concluding that the average age of discarded units was 13.9 years.

Collection

Collection costs are comprised of handling fees paid to collection sites, container rentals, collection site signage, and funding for collection site improvements. MRC anticipates that the cost of managing collection events and compensating collection sites for the reasonable actual costs of collecting discarded units will be $544,783 in 2026 and $628,150 in 2027.

Container rental costs are based on the estimated number and type of storage containers needed to store units before transportation. This budget reflects continued expansion of the program and collection network through the addition of permanent collection sites, collection events to increase program access, and growth in the Commercial Volume Program (CVP). These expanded collection activities are expected to increase the volume of discarded units managed through the program in 2026 and 2027.

Included within collection-related costs, MRC provides funding to permanent collection sites to help reduce physical and operational barriers to participation in the program. MRC-funded projects typically reimburse collection sites for support equipment and infrastructure improvements that increase the number of units recycled, reduce handling times, improve operational efficiency, enhance the quality of discarded units, and improve safety.

TABLE 3: Collection Costs

Collection	2026 Projection	2027 Budget
Collection Site Handling Fees	$ 250,263	$ 288,750
Collection Container and Storage	$ 198,000	$ 244,400
Mattress Collection Facility Improvement Funding	$ 96,520	$ 95,000
Total Collection Costs	**$ 544,783**	**$ 628,150**

Transportation
MRC contracts with third-party transporters to move mattresses from collection sites, events and commercial volume sources to recycling facilities. Transportation costs are influenced by several factors including the type of container, the number of units the container can hold, the distance the transporter travels to a recycling facility, the geographic location of the collection site, and fuel prices. MRC anticipates the program will transport 60% of the units collected in both 2026 and 2027.

Processing
Processing costs are paid to third-party contractors on a per-unit basis. The rate paid covers the dismantling of each program unit and the recycling, reuse or disposal of commodities extracted from the process. These costs are directly related to the number of mattresses collected. The processing costs in the 2026 projection and 2027 budget are based on contracted rates with three recyclers in Oregon. The budget includes recyclers processing 199,571 units in 2026 and 225,941 units in 2027.

Illegal Dump Mitigation
Funds have been allocated to mitigate the costs and impacts of illegal dumping. MRC will facilitate stakeholder dialogues to establish a baseline understanding of illegal dumping mitigation in the state by conducting a statewide survey to quantify illegally dumped mattresses. The budget includes funding pilot projects aimed at preventing and reducing the illegal dumping of mattresses in impacted communities. MRC will also provide funding to Oregon communities for data collection and reporting on the location and final disposition of illegally dumped mattresses collected from the public right-of-way within their jurisdictions.

TABLE 4: Illegal Dump Mitigation

Illegal Dump Mitigation	2026 Projection	2027 Budget
Surveys and Data Collection	$ 36,359	$ 23,880
Pilot Projects	$ 0	$ 100,000
Mattress Collection Initiative Payment	$ 50,000	$ 125,000
Total Illegal Dump Mitigation	**$ 86,359**	**$ 248,880**

Program Studies

MRC is required by ORS 459A.174 to conduct a life cycle analysis of mattresses sold in Oregon, report on the scope of discarded mattresses not collected through the program and recommendations on how to direct them into the program, and study effective methods for providing discarded mattress collection services to low-income individuals and multifamily housing structures. MRC will conduct a bulky curbside study and convenience analysis to inform the report and study. To comply with environmentally sound management practices, MRC will evaluate and help Oregon mattress recyclers with data integrity based on lean principals.

TABLE 5: Program Studies

Program Studies	2026 Projection	2027 Budget
Bulky Curbside Study	$ 20,000	$ 10,000
Convenience Analysis	$ 12,500	$ 12,500
Discarded Mattress Report	$ 6,000	$ 10,000
Lean Analysis/Data Integrity	$ 45,000	$ 11,250
Life Cycle Analysis	$ 59,000	$ 15,830
Collection Services to low-income and multi-family housing study	$ 8,000	$ 12,000
Total Program Studies	**$ 150,500**	**$ 71,580**

Program Compliance

The budget includes recycler performance audits and third-party safety inspections for environmentally sound management compliance which are conducted annually and noted in Table 6.

TABLE 6: Program Compliance

Program Compliance	2026 Projection	2027 Budget
Fire Safety	$ 8,500	$ 10,000
Recycler Audits	$ 14,500	$ 14,500
Performance Audit	$ 0	$ 25,000
Total Compliance Costs	**$ 23,000**	**$ 49,500**

Field Visits

This budget of $11,450 and $11,800 for 2026 and 2027, respectively, includes staff travel expenses associated with regular meetings and inspections of recyclers and collection sites.

TABLE 7: Operational Costs

Category	2026 Projection	2027 Budget
Collection	$ 544,783	$ 628,150
Transportation	$ 1,133,941	$ 1,410,779
Processing	$ 3,119,024	$ 3,547,712
Illegal Dump Mitigation	$ 86,359	$ 248,880
Program Studies	$ 150,500	$ 71,580
Program Compliance	$ 23,000	$ 49,500
Field Visits	$ 11,450	$ 11,800
Total Operational Costs	**$ 5,069,057**	**$ 5,968,401**

Public Education, Advertising and Promotion

As outlined in its Plan, MRC provides comprehensive education and outreach to retailers, producers, renovators, and consumers regarding the program. This statewide marketing effort includes providing retailers with point-of-sale materials in multiple languages, conducting multichannel advertising campaigns, offering public service announcements, securing coverage in consumer and trade media, building a social media presence, distributing consumer information toolkits to participants, collaborating with community based groups, participating in community events focused on environmental and recycling education, as well as working with industry associations to encourage mattress recycling.

Education and promotional activities are budgeted at $471,365 and $490,250 for 2026 and 2027, respectively. These activities include consumer media campaigns in two major markets, continued promotion of the Commercial Volume Program to increase participation from commercial entities, continued outreach within the mattress industry to drive retailer education and compliance, and direct mail campaigns targeting both consumers and retailers. MRC has also budgeted for membership in community-based groups and attendance at key industry and consumer events to promote the program.

The budget includes costs associated with hosting and maintaining consumer- and industry-facing websites, including ByeByeMattress.com, MattressRecyclingCouncil.org, and MRCreporting.org. These costs are shared across MRC's four state recycling programs based on each state's relative population. Beginning in 2026, the budget also includes the cost of producing the Oregon annual report and conducting an initial consumer survey to establish a baseline measurement of consumer awareness and behavior.

TABLE 8: Public Education, Advertising and Promotion Costs

Category	2026 Projection	2027 Budget
Advertising and Consumer Education	$ 184,867	$ 210,910
3rd Party PR Agencies	$ 191,550	$ 196,700
Industry and Stakeholder Outreach	$ 51,353	$ 39,610
Conferences and Events	$ 16,255	$ 14,690
Communications Travel	$ 16,405	$ 17,080
Annual Report	$ 10,935	$ 11,260
Total Costs	**$ 471,365**	**$ 490,250**

DEQ Oversight Fees

The Act requires that MRC pay DEQ an annual fee that is reasonably calculated to cover the costs to the department to administer, implement and enforce the Act. The budget reflects the annual $200,000 fee that DEQ will charge MRC.

Program Administration Costs

Administration costs include management and professional services (e.g., financial audit), government relations, both in-house and outsourced legal expenses, and other administrative expenses required to manage the program. Administration costs also include corporate expenses incurred by MRC Inc. which are shared among all state mattress recycling programs to provide general administrative support. At present, MRC operates similar programs in California, Connecticut, and Rhode Island. These expenses are distributed to each state program according to its relative population. Currently, Oregon accounts for 8.8% of the total population across the four states. For the purposes of this budget, 8.8% of shared expenses have been allocated to the Oregon program.

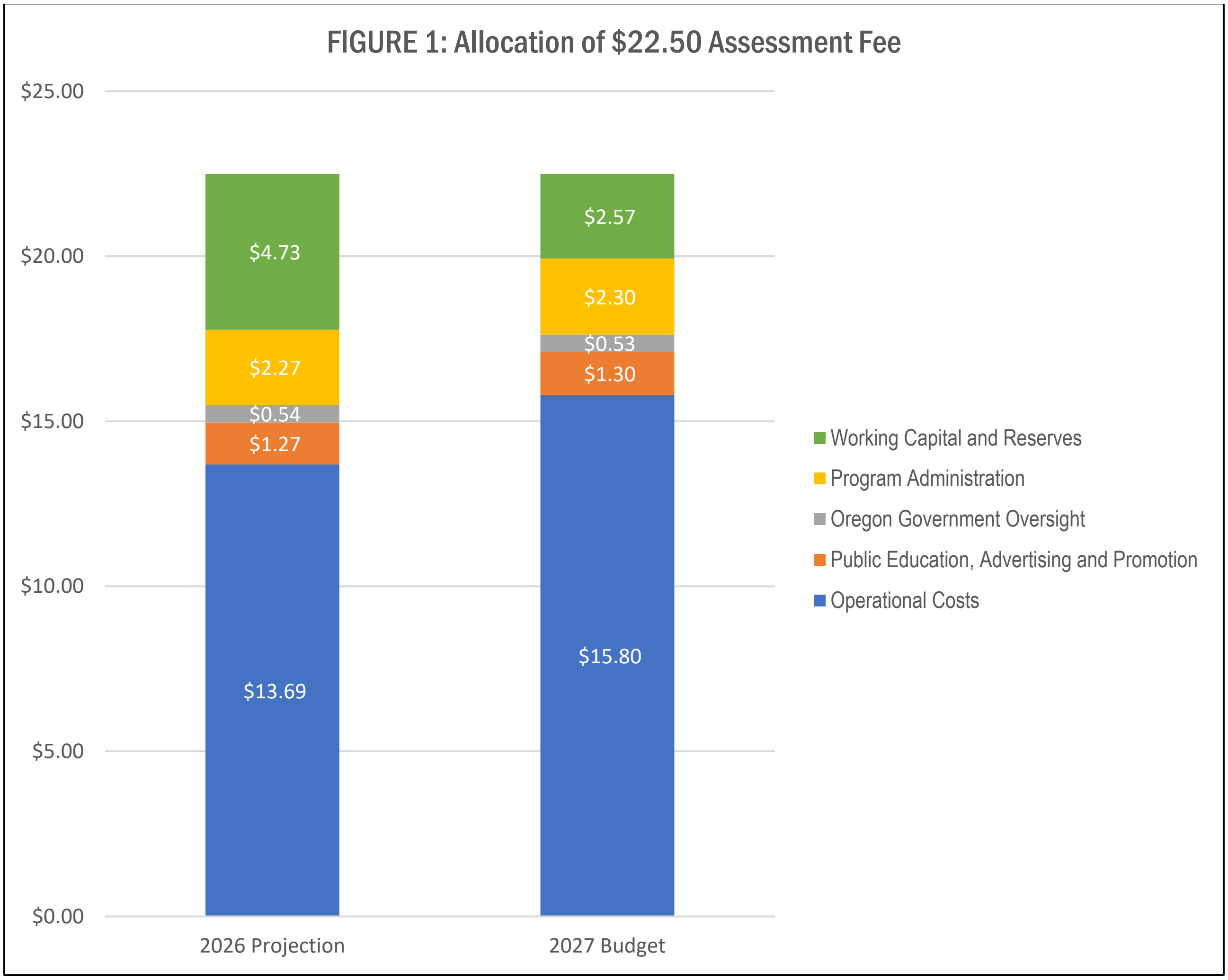
TABLE 9: DEQ Oversight and MRC Program Administration Costs

Category	2026 Projection	2027 Budget
DEQ Government Oversight Fees	**$ 200,000**	**$ 200,000**
Program Administration		
Management and Administrative	$ 646,634	$ 663,950
Annual Audit/Tax Filings	$ 33,500	$ 35,000
Retailer Compliance Audits	$ 22,000	$ 28,000
Industry and Government Relations	$ 65,000	$ 65,000
Legal Expenses	$ 63,876	$ 67,820
Program Travel	$ 9,000	$ 9,290
Total Program Administration	**$ 840,010**	**$ 869,060**

All costs for this program, are shown in Table 10:

TABLE 10: 2026-2027 Expenses

Category	2026 Projection	2027 Budget	2027 Allocations
Operational Costs	$ 5,069,057	$ 5,968,401	79.3%
Public Education, Advertising and Promotion	$ 471,365	$ 490,250	6.5%
DEQ Oversight	$ 200,000	$ 200,000	2.7%
Program Administration	$ 840,010	$ 869,060	11.5%
Total Program Costs	**$ 6,580,432**	**$ 7,527,711**	**100.0%**



In 2027, the $22.50 assessment collected on each unit sold includes:

- $15.80 for program operational costs
- $1.30 for public education, advertising and promotion
- $0.53 for Oregon Government Oversight (DEQ)
- $2.30 for program administration
- $2.57 allocated to build MRC's working capital and reserves

Calculating the Per Unit Assessment

Total 2026 projected and 2027 budgeted expenses are $14,108,143. We add the targeted reserve, as well as working capital (equal to three months of 2027 expenses) to cover short term cash flow requirements. From this, we deduct budgeted investment revenue, late fee revenue, and the year-end 2025 working capital and reserve balance. That leaves a total of $16,833,195 that must be funded by the per unit assessment. MRC anticipates that during the period January 1, 2026 through December 31, 2027, Oregon consumers will buy 748,142 mattresses and foundations. Based on this information, MRC calculates the per unit assessment of $22.50 by dividing the sum of total costs, unallocated reserves and working capital (less investment and late fee revenue) by total units sold ($16,833,195 / 748,142 = $22.50).

TABLE 11: Per Unit Assessment Calculation

Stewardship Assessment Calculation	2026 - 2027
Total 2026-2027 Expenses (A)	$ 14,108,143
Working Capital + Target Unallocated Reserve (B)	$ 5,975,904
Less Investment Income (C)	$ (147,354)
Less Late Fee Revenue (D)	$ (5,000)
Less Year-end Fund Balance at 12/31/2025 (E)	$ (3,098,498)
Amount to Cover (F = A + B – C – D - E)	$ 16,833,195
Projected Unit Sales 2026-2027 (G)	748,142
Per Unit Assessment (H = F / G)	$ 22.50

Unallocated Reserve Funds

As with the other states, the MRC Board has established a reserve policy that directs MRC management to have sufficient operating cash to fund operations (e.g., cash on hand equal to approximately three months of expenses), and a prudent level of unallocated reserves (Board Designated Financial Reserve) that allows MRC to be prepared in case its operational expenses increase or planned revenues decrease. The amount that MRC sets aside in this reserve is influenced by several external factors.

First, the program must be capable of adapting to unforeseen circumstances that can have a substantial impact on MRC's expenses. These circumstances could include accidents, natural disasters, 3rd party contractor insolvency or regional, national or global financial disruptions. Significant or sudden changes in market dynamics that affect costs (e.g., fuel costs) or failure of secondary markets for recycled components, political uncertainties, or any combination of the above could also significantly affect the program and its budget. As an example, the COVID-19 pandemic and subsequent inflation significantly disrupted budgets, eventually resulting in unpredicted cost increases beyond MRC's control.

Second, the reserve protects the long-term viability of the program by setting aside money that can fund budget deficits without necessitating frequent adjustments in the assessment. Third, MRC's ability to operate prudently over a multiyear period depends in part on MRC's forecasted operating and administrative expenses for several years into the future. Over the next few years, MRC expects increased expenditures as it expands the program's collection network and increases the number of units collected and recycled. As a result, MRC's annual expenses are projected to grow.

Finally, MRC must be prepared in case its revenue stream (that is, assessment collected on the sale of mattresses) is significantly or suddenly disrupted. This could include a downturn in the U.S. economy or mattress sales (as we are currently experiencing) or other events that are external to the program itself, like legislative or regulatory initiatives that disrupt sales.

For these reasons, MRC has budgeted to build a reasonable unallocated reserve of $4,093,976 by December 2027 which represents 54.4% (6.5 months) of annual program expenses. MRC is committed to maintaining financial stability and sustainability and will continue to allocate funds to its reserves annually.

Details of the 2027 budget follow on the next page:

TABLE 12: 2027 Budget[1]

Category	2026 Projection	2027 Budget
REVENUE:		
Assessment Revenue	$8,333,280	$8,499,915
Late Fee Revenue	$2,500	$2,500
Total Revenue	**$8,335,780**	**$8,502,415**
EXPENSES:		
Collection Costs	$544,783	$628,150
Transportation	$1,133,941	$1,410,779
Processing	$3,119,024	$3,547,712
Illegal Dump Mitigation	$86,359	$248,880
Program Studies	$150,500	$71,580
Program Compliance	$23,000	$49,500
Field Visits	$11,450	$11,800
Total Operational Costs	$5,069,057	$5,968,401
Public Education, Advertising, and Promotion	$471,365	$490,250
Oregon Government Oversight Fees	$200,000	$200,000
Program Administration	$840,010	$869,060
Total Expenses	**$6,580,432**	**$7,527,711**
Net Operating Assets	**$1,755,348**	**$974,704**
Net Investment Return	**$55,612**	**$91,742**
Net Assets	**$1,810,960**	**$1,066,446**
Net Assets at Beginning of Year	**$3,098,498**	**$4,909,458**
Cumulative Net Assets	**$4,909,458**	**$5,975,904**
Reserve Funds		
Board Designated Financial Reserve (Unallocated Reserves)	**$3,264,350**	**$4,093,976**
Reserves as a % of Annual Operating Budget	*49.6%*	*54.4%*
Undesignated Net Assets (Working Capital)	**$1,645,108**	**$1,881,928**
25% (3 months) of Annual Operating Budget	*25.0%*	*25.0%*

[1] Line item details can be found in the tables throughout this document.