



May 2, 2022

Chris Smith  
President  
The Drug Takeback Solutions Foundation  
635 Vine Street  
Winston-Salem, NC 27101

Sent via e-mail

**Re: CalRecycle's Completeness Determination of The Foundation's Annual Program Budgets for Covered Drugs and Sharps**

Dear Mr. Smith:

The Department of Resources Recycling and Recovery (CalRecycle) received The Drug Takeback Solutions Foundation's (The Foundation) annual program budgets for covered drugs and home-generated sharps waste on March 31, 2022, titled, *The Drug Takeback Solutions Foundation Covered Drugs 2022 Program Year Budget* and *The Drug Takeback Solutions Foundation Home Generated Sharps Waste 2022 Program Year Budget*, respectively. The California Code of Regulations (CCR), Title 14, section 18973.1(b) requires CalRecycle to determine if the annual program budgets are complete and notify The Foundation of its determination within 30 days of receipt.

Staff reviewed The Foundation's annual program budgets for completeness pursuant to the requirements in the Public Resources Code (PRC) sections 42033.2(a)(2) and (c) and CCR sections 18973.1(b) and 18973.6 and found the annual program budgets incomplete. PRC sections 42033.2(a) and (a)(2) require a program operator to submit, by March 31, 2022, a written program budget for the upcoming calendar year. A program budget for calendar year 2023 is required. The Foundation submitted program budgets for calendar year 2022. Therefore, the entirety of the submitted program budgets are incomplete. However, CalRecycle evaluated the information in the 2022 budgets and is providing information, for illustrative purposes only, that The Foundation can consider when preparing revised annual program budgets (see Attachment 1).

This completeness determination is separate from the compliance determination that CalRecycle will conduct once it receives annual program budgets it determines are complete pursuant to CCR sections 18973.1(d) through (f).

The Foundation must resubmit its 2023 annual program budgets to CalRecycle within 30 days of CalRecycle's notification that its 2023 annual program budgets are incomplete. If CalRecycle determines, upon resubmittal, that The Foundation's 2023 annual program budgets are complete, CalRecycle shall have 90 days from the date of receipt of the resubmitted 2023 annual program budgets to review for compliance with

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all statutory and regulatory requirements and approve, conditionally approve, or disapprove the 2023 annual program budgets.

Questions regarding this letter may be directed to [pharmasharps@calrecycle.ca.gov](mailto:pharmasharps@calrecycle.ca.gov).

Regards,

Signed by: Rachel Machi Wagoner, Director

Dated: May 2, 2022

Attachment 1. Staff Observations regarding The Foundation's Annual Program Budgets for Covered Drugs and Sharps, for Illustrative Purposes Only

Cc: Jason Smyth, Supervisor, Pharmaceutical and Sharps Unit  
Becky Haworth, Environmental Scientist, Pharmaceutical and Sharps Unit  
Mary Curry, Environmental Scientist, Pharmaceutical and Sharps Unit  
Morgan Buchan, Environmental Scientist, Pharmaceutical and Sharps Unit

**Attachment 1. Staff Observations regarding The Foundation’s Annual Program Budgets for Covered Drugs and Sharps, for Illustrative Purposes Only**

Number	Statute / Regulation Reference	Annual Program Budget	Comment
1	CCR 18973.6(d) PRC 42033.2(c)(2)	Drugs and Sharps	Include recommended funding level necessary to cover the stewardship plan's budgeted costs and to operate the stewardship program over a multi-year period. Only one year of budgeted costs was included.
2	CCR 18973(a)	Drugs and Sharps	Ensure the documents are in compliance with section 7405 of the Government Code, and the Web Content Accessibility Guidelines 2.0 published in 2008 by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria to allow for posting on the department’s website pursuant to CCR 18973(a).
3	CCR 18973(e)	Drugs and Sharps	Include a signed certification statement from a party, with signatory authority, who is responsible for the contents of the document, that states: “I hereby declare, under penalty of perjury, that the information provided in this document is true and correct, to the best of my knowledge.”
4	CCR 18973.6(a)	Drugs and Sharps	Include contact information for person responsible for submitting and overseeing the program budget on behalf of the program operator.
5	CCR 18973.6(b)(2)	Sharps	Include costs of collection, transportation, and disposal of covered products as a separate line item in the budget. It is unclear if the “operational” category includes all of these types of costs.
6	CCR 18973.6(b)(3) PRC 42034 and 42034.2	Drugs and Sharps	Include departmental administrative fees as a separate line item or as part of the administrative costs in the budget. Provide amounts for the departmental administrative fees, even if the amounts are zero.
7	CCR 18973.6(b)(5)	Drugs and Sharps	Include costs related to grants, loans, sponsorships, or other incentives as part of program implementation as a line item in the budget, even if the amounts are zero.
8	CCR 18973.6(e)	Sharps	Include a description of the types of activities relative to each line item cost category.

<b>Number</b>	<b>Statute / Regulation Reference</b>	<b>Annual Program Budget</b>	<b>Comment</b>
9	CCR 18973.6(c)	Drugs and Sharps	Include a description justifying the reserve level amount indicated.
10	CCR 18973.6(d)	Drugs and Sharps	Include a description of how costs are apportioned to and funds remitted from participating covered entities.
11	CCR 18973.6(f) PRC 42033.2(c)(1) and 42033.4(b)(1)	Drugs and Sharps	Specify that funding for an annual independent financial audit of the stewardship program is included in the budgeted cost.