

## REQUEST FOR APPROVAL

**To:** Rachel Machi Wagoner  
Director

**From:** Zoe Heller  
Deputy Director, Materials Management and Local Assistance  
Division  
Acting Deputy Director, Policy Development and Analysis Office

**Request Date:** October 11, 2022

**Decision Subject:** Consideration of The Drug Takeback Solutions Foundation's  
Annual Program Budget for Home-Generated Sharps Waste

**Action By:** November 1, 2022

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### **Summary of Request**

The Drug Takeback Solutions Foundation (The Foundation) resubmitted its annual program budget, titled, *Annual Program Budget for Home-Generated Sharps Waste Stewardship Program (Annual Program Budget)* on August 3, 2022, as required by statute. This Request for Approval presents staff's analysis and compliance recommendation regarding The Foundation's *Annual Program Budget*.

### **Background**

The Foundation is a stewardship organization that represents five covered entities under its stewardship plan for home-generated sharps waste, titled, *Stewardship Plan for Home-Generated Sharps Waste* (May 17, 2022).

Public Resources Code (PRC) section 42033.2(a)(2) states that, on or before March 31, 2022, and each year thereafter, a program operator shall submit to CalRecycle a program budget for stewardship program implementation for the upcoming calendar year. CalRecycle determined The Foundation's annual program budget was incomplete on May 2, 2022, and required The Foundation to revise and resubmit an annual program budget to CalRecycle within 30 days. The Foundation resubmitted its annual program budget on June 6, 2022, that CalRecycle determined was incomplete and notified The Foundation on July 1, 2022, pursuant to PRC section 42033.2(d)(1) and Title 14, California Code of Regulations (14 CCR) section 18973.1(b). The Foundation submitted its *Annual Program Budget* on August 3, 2022, that CalRecycle determined was complete and notified The Foundation on August 23, 2022. CalRecycle has 90 days from the date The Foundation submitted its complete *Annual Program Budget* to approve, disapprove, or conditionally approve the *Annual Program Budget* pursuant to PRC section 42033.2(d)(2) and 14 CCR section 18973.1. Staff's analysis of The Foundation's *Annual Program Budget* is summarized below.

### **Staff Analysis**

#### **1. Upcoming Calendar Year Budget**

Requirement: A written program budget for stewardship program implementation for the upcoming calendar year pursuant to PRC sections 42033.2(a)(2) and 42033.2(c) and 14 CCR section 18973.6.

Result: Met requirement

The Foundation's *Annual Program Budget* includes a program budget for calendar year 2023 and addresses all annual program budget requirements.

## 2. **Multiyear Budget**

Requirement: Anticipated costs and the recommended funding level necessary to implement the stewardship program pursuant to PRC section 42033.2(c)(2) and 14 CCR section 18973.6(d).

Result: Met requirement

The Foundation's *Annual Program Budget* includes a multiyear program budget with a recommended funding level for calendar years 2022 through 2026.

## 3. **Independent Financial Audit**

Requirement: An independent financial audit of the stewardship program funded by the member covered entities participating in the stewardship program pursuant to PRC section 42033.2(c)(1) and 14 CCR section 18973.6(f).

An independent financial audit for the year 2021 was not required because The Foundation did not begin implementing its program until 2022, after CalRecycle approved its stewardship plan.

## 4. **Document Submittals**

Requirement: The document is required to comply 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, pursuant to 14 CCR section 18973(a). The document shall be complete and correct pursuant to 14 CCR section 18973(d).

Result: Additional actions by The Foundation are necessary. The Foundation must meet the conditions outlined below under the section titled "CalRecycle Condition 1."

The Foundation's *Annual Program Budget* contains multiple accessibility errors that must be remediated for its *Annual Program Budget* to be found compliant.

In the "Reserve Amount" section, the *Annual Program Budget* describes that The Foundation believes a reserve percentage of 10 percent of "additional receptacle needs" is sufficient. It is unclear how "receptacle needs" relate to the appropriate reserve level amount pertaining to its home-generated sharps waste stewardship plan. The Foundation must clarify the use of this terminology or correct the terminology to pertain to its home-generated sharps waste stewardship plan.

CalRecycle Condition 1: Pursuant to 14 CCR section 18973.1(j), The Foundation must revise and resubmit its *Annual Program Budget* to CalRecycle within 60 days of signature of this Request for Approval, and the resubmitted annual program budget must meet the following conditions:

- a. Correct accessibility errors in the *Annual Program Budget* to make it compliant with section 7405 of the Government Code and with the Web Content Accessibility Guidelines 2.0 Level AA success criteria, at a minimum. (The requirement necessitating this condition appears in 14 CCR section 18973(a)).
- b. Use correct terminology throughout the annual program budget. (The requirement necessitating this condition appears in 14 CCR section 18973(d)).

### **Summary of Staff Analysis**

CalRecycle staff reviewed The Foundation's *Annual Program Budget* and found it substantially compliant with all material requirements in PRC sections 42033.2(a)(2) and 42033.2(c) and 14 CCR sections 18973 and 18973.6. However, additional actions by The Foundation are necessary for CalRecycle to determine that the *Annual Program Budget* is compliant.

### **Options**

1. Conditionally approve The Foundation's *Annual Program Budget*, contingent upon The Foundation providing to CalRecycle a revised annual program budget, within 60 days of signature on this Request for Approval, that includes the additional information to meet the conditions specified in the "Staff Analysis" section of this Request for Approval.
2. Disapprove The Foundation's *Annual Program Budget*. The Foundation shall resubmit a revised annual program budget within 60 days of signature on this Request for Approval and CalRecycle will review the revised annual program budget within 90 days of resubmittal.

### **Action**

Based on the information and analysis in this Request for Approval, I hereby conditionally approve The Foundation's *Annual Program Budget*, contingent upon The Foundation revising and resubmitting its annual program budget, within 60 days as described in the "Options" section above. Failure to comply with the conditions and resubmit within 60 days may result in disapproval of The Foundation's *Annual Program Budget*. This Request for Approval shall serve as the written notice of the conditions that CalRecycle must identify pursuant to the first sentence in CCR section 18973.1(j).

**Signed by:** Rachel Machi Wagoner, Director

**Dated:** October 18, 2022

### **Attachments:**

To request documents that are referenced in this report, please submit a Public Records Act request

(<https://www2.calrecycle.ca.gov/Forms/ContactUs/PublicRecordsRequest/>).

1. *Annual Program Budget for Home-Generated Sharps Waste Stewardship Program* (August 3, 2022)
2. *Stewardship Plan for Home-Generated Sharps Waste* (May 17, 2022)