

Annual Program Budget for Home-Generated Sharps Waste Stewardship Program.

**Response to CalRecycle's Completeness
Determination of The Foundation's
Annual Program Budgets for Sharps.**

The Drug Takeback Solutions Foundation

Revised on: 3/10/2023

Annual Program Budget for Home Generated Sharps Waste Stewardship Program

	FY 2022	FY2023	FY2024	FY2025	FY2026
Capital Expenses					
N/A	\$0	\$0	\$0	\$0	\$0
Operational Costs					
Containers, Collection, Transportation, Disposal	\$3,003,000	\$3,247,745	\$3,512,436	\$3,798,699	\$4,108,293
Website Development Work	\$45,000	\$3,000	\$3,000	\$3,000	\$3,000
Total Operational Costs	\$3,048,000	\$3,250,745	\$3,515,436	\$3,801,699	\$4,111,293
Education and Outreach					
Social Media	\$45,000	\$47,250	\$49,613	\$52,093	\$54,698
Marketing Materials	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Traditional Media	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465
Education Efforts	\$32,000	\$33,600	\$35,280	\$37,044	\$38,896
Total Education and Outreach	\$122,000	\$128,100	\$134,505	\$141,230	\$148,292
Administrative Costs					
Administrative Functions	\$237,000	\$226,365	\$241,424	\$257,204	\$264,171
Grants, Loans, Sponsorships, other incentives					

Grants, Loans, Sponsorships, other incentives	\$0	\$0	\$0	\$0	\$0
Departmental Administrative Fees					
Total Departmental Administrative Fee Costs	N/A	\$1,571,430	\$455,667	\$457,583	\$457,583
Estimated Total Budget for Program Operations					
Estimated Total Budget for Program Operations	\$3,407,000	\$5,176,640	\$4,347,033	\$4,657,716	\$4,981,339
Reserve					
Reserve Amount	\$300,300	\$324,774	\$351,244	\$379,870	\$410,829

The Foundation has researched Service Provider costs and made informed Program Budget estimates based on experience. The Foundation's Service Providers have provided historical data for required Program costs such as disposal, outreach and education, signage, survey, start-up, and administration. The Foundation has secured long-term agreements with Service Providers with set fees for services required to operate the Program. The Program Budget includes the following amounts and activities:

- Capital Expenses - The Foundation has contracted with a Service Provider to support the collection, transportation, and destruction of all Home-Generated Sharps Waste. The costs associated with this contract do not qualify as a capital cost/expenditure, and there are no other capital, fixed or one-time costs that the Foundation is aware of at this time other than website development work that is included in the "operational costs" section of the Program Budget.
- Operational - Items in this category consist of collection, transportation, and disposal of Home-Generated Sharps Waste, website construction, design, maintenance, and support.
- Education and Outreach - Items under this category include social media materials (Twitter, Facebook, Instagram, blogs, programmatic media), printed marketing

materials, printing, design, staff travel, traditional media outlets (television, newspaper and radio advertising).

- Administrative - Administrative overhead, postage and shipping, miscellaneous supplies, funding of an annual independent audit of the Stewardship Program.
- Departmental Administrative Fees - Fee due to the Department pursuant to 14 CCR Section 18973.6(b)(3) and PRC Section 42034 and PRC Section 42034.2.
- Reserve Amount - Anticipated amount to cover unexpected overages in Program operational expenses. Additional details regarding the reserve amount are included below.

The Foundation has long-term commitments from the Covered Entities who will cover all costs associated with the Program Budget. The Program Budget will be apportioned as fees among each participating Covered Entity pursuant to 14 CCR Section 18973.6 based upon the volume and value estimates above. Participating Covered Entities are invoiced and remit funds according to their contracts.

Reserve Amount

The Foundation has established a reserve in order to accommodate unplanned needs, and provide cushion against unexpected events, losses of income or large unbudgeted expenses.

The Foundation has planned its annual Program Budget using a variety of factors to determine needs for capital, education, operational, and administrative costs throughout the year. Likewise, the Foundation has determined reserve levels that are sufficient to cover estimated impacts of unexpected cost variability including costs of collection, transportation, disposal, and other operational costs.

When considering unexpected costs or potential loss of income, the Foundation has determined that a reserve percentage that approximates a 10% increase in the costs associated with offering additional Mail-Back Units (i.e. additional Mailers and Sharps Waste Containers, disposal costs, etc.) to be sufficient for the Program year. Further, this reserve level would approximate ~3 months of education, operational, and administrative costs. This reserve amount will provide sufficient cash to respond to unexpected events throughout the Program year.

Contact and Certification

In accordance with 14 CCR Section 18973.3(a) and 14 CCR Section 18973.6(a) the contact information the person responsible for submitting and overseeing the Stewardship Plan and Program Budget on behalf of the Program Operator is as follows:

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"I, Chris Smith, hereby declare, under penalty of perjury, that the information provided in this document is true and correct, to the best of my knowledge."



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"I, Lee Smith, hereby declare, under penalty of perjury, that the information provided in this document is true and correct, to the best of my knowledge."

