

REQUEST FOR ACTION

To: Rachel Machi Wagoner
Director

From: Zoe Heller
Deputy Director, Division of Circular Economy

Request Date: September 19, 2023

Decision Subject: Approval of the Annual CalRecycle Architectural Paint Stewardship Program Administrative Fee for July 1, 2022, through June 30, 2023

Action By: September 30, 2023

Summary of Request

Staff request approval of the Department of Resources Recycling and Recovery's annual Architectural Paint Stewardship Program administrative fee in the amount of \$449,277.04 for the period of July 1, 2022, through June 30, 2023.

Background

Pursuant to Public Resources Code sections 48700 through 48706, the Department of Resources Recycling and Recovery (CalRecycle) is required to provide oversight and enforcement of the California paint stewardship program and impose fees in an amount that is sufficient to cover its full administrative and enforcement costs. The paint stewardship organization, currently PaintCare, must pay CalRecycle an administrative fee each quarter.

Title 14, California Code of Regulations, section 18958(a) states that CalRecycle's director shall approve the annual administrative fee for the full administrative and enforcement costs at a public meeting by September 30 of each year. The total annual administrative fee reflects CalRecycle's actual costs related to the paint stewardship program for the period from July 1, 2022, through June 30, 2023, including staff salaries, overhead expenses, and other expenses incurred in administering and enforcing the program. CalRecycle costs are comprised of staff time from CalRecycle's Materials Management and Local Assistance Division; Information Technology Services Office; Waste Permitting, Compliance, and Mitigation Division; Office of Audits; and Legal Affairs Office. To determine the amount of the annual fee, CalRecycle staff total the quarterly invoice amounts that were billed to the paint stewardship organization during the prior fiscal year.

Staff Analysis

Annual Administrative Fee Total

The total administrative fee for July 1, 2022, through June 30, 2023, is \$449,277.04.

Summary of CalRecycle Activities for July 1, 2022, through June 30, 2023

Staff monitored PaintCare's program implementation, including conducting meetings and communicating with PaintCare, paint recyclers, and other stakeholders, conducted technical analysis and review of PaintCare's Fiscal Year 2022 Annual Report for compliance, conducting site visits, maintained compliance and enforcement procedures, conducted inspections of paint retailers, prepared inspection reports, and documented corrective actions taken by businesses to correct violations recorded by CalRecycle, developed and implemented inspection database enhancements, developed content and provided maintenance of CalRecycle's paint stewardship program webpages, and posted registered paint manufacturer and brand lists.

Action

Pursuant to Title 14, California Code of Regulations, section 18958(a), I hereby:

☒ Approve CalRecycle's annual Architectural Paint Stewardship Program administrative fee of \$449,277.04 for July 1, 2022, through June 30, 2023.

Dated: September 27, 2023

Signed by Rachel Machi Wagoner, Director

Rachel Machi Wagoner, Director