

REQUEST FOR ACTION

To: Rachel Machi Wagoner
Director

From: Zoe Heller
Deputy Director, Division of Circular Economy

Request Date: October 18, 2023

Decision Subject: Consideration of MED-Project's Revised 2024 Annual Program Budget for Home-Generated Sharps Waste

Action By: November 20, 2023

Summary of Request

MED-Project USA (MED-Project) submitted its revised 2024 annual program budget, titled, *MED-Project 2024 Annual Program Budget; State of California, Home-Generated Sharps Waste (Revised 2024 Annual Program Budget)*, including an independent financial audit, titled, *MED-Project CA, LLC; Financial Statements for the Year Ended December 31, 2022*, on August 21, 2023. This Request for Action presents a summary of staff's analysis regarding MED-Project's *Revised 2024 Annual Program Budget* and MED-Project's home-generated sharps waste stewardship program.

Background

MED-Project is a stewardship organization that, as reported in its revised 2022 annual report, titled, *MED-Project 2022 Annual Report; State of California, Sharps (Revised 2022 Annual Report)*, represents more than 100 covered entities under its approved stewardship plan for home-generated sharps waste, titled, *A Product Stewardship Plan for Home-Generated Sharps Waste (Plan)*. On December 9, 2021, the Department of Resources Recycling and Recovery (CalRecycle) conditionally approved MED-Project's *Plan* pursuant to Public Resources Code (PRC) section 42032(d)(1) and Title 14 of the California Code of Regulations (14 CCR) sections 18973.1(e) and (g). On November 15, 2022, MED-Project's *Plan* was approved. MED-Project's *Revised 2024 Annual Program Budget* includes anticipated costs for the upcoming calendar year of 2024 (January 1, 2024, through December 31, 2024).

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. MED-Project submitted its 2024 annual program budget, titled, *MED-Project 2024 Annual Program Budget; State of California, Home-Generated Sharps Waste (2024 Annual Program Budget)*, on March 31, 2023. CalRecycle determined the *2024 Annual Program Budget* was complete and notified MED-Project on May 1, 2023, pursuant to PRC section 42033.2(d)(1) and 14 CCR section 18973.1(b). On June 21, 2023, CalRecycle conditionally approved MED-Project's *2024 Annual Program Budget* in the Request for Action (RFA), titled, *Consideration of MED-Project's 2024 Annual Program Budget for*

Home-Generated Sharps Waste (June 2023 RFA). On August 21, 2023, MED-Project submitted its *Revised 2024 Annual Program Budget*, which is the subject of this Request for Action. CalRecycle has 90 days to approve, disapprove, or conditionally approve the *Revised 2024 Annual Program Budget* pursuant to PRC section 42033.2(d)(2) and 14 CCR section 18973.1.

Staff Analysis

Staff evaluated MED-Project's *Revised 2024 Annual Program Budget* to determine whether the requirements of statute, regulations, and MED-Project's *Plan* were met. The section below presents the requirement in the *June 2023 RFA* that CalRecycle required MED-Project to address, followed by a summary of staff's analysis of MED-Project's *Revised 2024 Annual Program Budget* and MED-Project's home-generated sharps waste stewardship program.

Cost Category Activity Descriptions

Requirement: CalRecycle's *June 2023 RFA* required the *Revised 2024 Annual Program Budget* to meet the following requirement pursuant to 14 CCR sections 18973.6(b) and 18973.6(e).

- a. Provide a description of the types of activities relative to each line item cost category.

Analysis: Requirement Met

MED-Project's *2024 Annual Program Budget* referred to its *Plan* to provide a description of the types of activities relative to each line item cost category.

MED-Project's *Revised 2024 Annual Program Budget* includes a description of activities for all applicable line item cost categories. Therefore, requirement (a) is met.

In the future, CalRecycle may conduct its own audit of MED-Project, including a review of the independent certified public accountant audit for compliance with statute and regulations and consistency with the program operator's stewardship plan, annual report, and annual program budget pursuant to PRC section 42033.4(b)(3). A CalRecycle audit may include, but not be limited to, determining whether MED-Project is operating its stewardship program in a prudent and responsible manner consistent with PRC section 42034.

Feedback from Interested Parties

CalRecycle solicited public input on MED-Project's *2024 Annual Program Budget* from August 23, 2023, through September 6, 2023, and did not receive any public comments.

Action

Pursuant to PRC section 42033.2(e) and 14 CCR section 18973.1, I hereby:

- ☒ Approve MED-Project's *Revised 2024 Annual Program Budget*.
- ☐ Conditionally approve MED-Project's *Revised 2024 Annual Program Budget*.
- ☐ Disapprove MED-Project's *Revised 2024 Annual Program Budget*.

☐ Disapprove MED-Project's *Revised 2024 Annual Program Budget* and refer MED-Project to CalRecycle's Waste Permitting, Compliance, and Mitigation Division for potential enforcement.

Signed by: Rachel Machi Wagoner, Director

Dated: October 29, 2023

Attachments:

Documents listed below are posted to CalRecycle's website.

1. [MED-Project 2024 Annual Program Budget; State of California, Home-Generated Sharps Waste](https://www2.calrecycle.ca.gov/Docs/Web/125271) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125271>
 - a. [MED-Project CA, LLC; Financial Statements for the Year Ended December 31, 2022](https://www2.calrecycle.ca.gov/Docs/Web/125262) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125262>
2. [MED-Project 2024 Annual Program Budget; State of California, Home-Generated Sharps Waste](https://www2.calrecycle.ca.gov/Docs/Web/123291) (March 31, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/123291>
 - a. [MED-Project CA, LLC; Financial Statements for the Year Ended December 31, 2022](https://www2.calrecycle.ca.gov/Docs/Web/123294) (March 31, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/123294>
3. [A Product Stewardship Plan for Home-Generated Sharps Waste](https://www2.calrecycle.ca.gov/Docs/Web/122100) (August 22, 2022)
<https://www2.calrecycle.ca.gov/Docs/Web/122100>
 - a. [Appendix A – Participating Covered Entities](https://www2.calrecycle.ca.gov/Docs/Web/122106) (August 22, 2022)
<https://www2.calrecycle.ca.gov/Docs/Web/122106>
 - b. [Appendix B – Covered Products](https://www2.calrecycle.ca.gov/Docs/Web/122109) (August 22, 2022)
<https://www2.calrecycle.ca.gov/Docs/Web/122109>
4. [Consideration of MED-Project's 2024 Annual Program Budget for Home-Generated Sharps Waste](https://www2.calrecycle.ca.gov/Docs/Web/123873) (June 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/123873>
5. [MED-Project 2022 Annual Report, State of California, Sharps](https://www2.calrecycle.ca.gov/Docs/Web/125274) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125274>
 - a. [Attachment A – Requests and Distribution by County](https://www2.calrecycle.ca.gov/Docs/Web/125280) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125280>
 - b. [Attachment B – Daily Impressions for Digital Media](https://www2.calrecycle.ca.gov/Docs/Web/125283) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125283>
 - c. [Attachment C – List of Sharps Covered Entities](https://www2.calrecycle.ca.gov/Docs/Web/125286) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125286>
 - d. [Attachment D – List of Sharps Covered Products](https://www2.calrecycle.ca.gov/Docs/Web/125289) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125289>
 - e. [Attachment E – Local Agency Reimbursements](https://www2.calrecycle.ca.gov/Docs/Web/125292) (August 21, 2023)
<https://www2.calrecycle.ca.gov/Docs/Web/125292>