

IV. Draft of Product Stewardship Annual Report Evaluation (Paint)

Note: This is a discussion outline providing guidance on department criteria for adopting a finding of compliance or non-compliance for the annual reports. The final proposed regulations will include other sections on: submittals, payments to the department, records retention, confidentiality, enforcement, and other topics. These will eventually be combined into one document.

I. Definitions

II. Annual Report Submittal Instructions

III. Criteria for Stewardship Plan Approval

IV. Criteria for Evaluation of the Report

Department staff shall use the criteria below to review annual report contents and determine if they meet the requirements in statute and regulation (*cite regulation*). This section first describes the requirements (stated or inferred) in AB 1343 Architectural Paint Recovery Program, followed by a description of how the department will evaluate the requirements.

The report must contain the following:

1. **Contact information.** Identify the manufacturer or stewardship organization responsible for the annual report submittal.

How this criterion will be evaluated:

The department shall verify that the manufacturer or stewardship organization has registered on-line with the department.

2. **Executive Summary.** Provide an evaluation of the effectiveness of the paint stewardship plan, and anticipated steps, if needed, to improve performance.

How this criterion will be evaluated:

The department shall review for completeness.

3. **Scope.** The program described in the plan accepts and manage all applicable postconsumer architectural paint products.

How this criterion will be evaluated:

- a. The report may reference the scope as described in the approved stewardship plan if no changes to scope have occurred.
- b. Changes in the program scope shall be identified.

4. **Program Outline.** Describe the product stewardship program, including information on the following topics:

- a. Types of collection sites used to collect both latex and alkyd paint.
- b. Alternate methods of collection.
- c. Disposition of postconsumer paint collected, including facility name(s) and address(es) for each disposition method.
- d. Description of best management practices to be followed by service providers, including any training that the manufacturer or stewardship organization intends to provide to or require of service providers to ensure proper collection and management of postconsumer paint
- e. Description of how each consumer that pays an architectural paint stewardship assessment will have an opportunity to properly recycle their postconsumer paint.

How this criterion will be evaluated:

The department shall review for completeness.

5. Description of Goals and Activities Based on the Stewardship Plan.

State the goals from the approved plan, the baseline from which goals were measured, any adjustments made to the stated goals, and report on achievement during the reporting period. Describe any adjustments to goals stated in the approved stewardship plan and accompanying rationale for those changes. Goals and topics on which to report may include:

- a. Demonstrate continuous improvement toward achievement of goals.
- b. Describe efforts to increase reuse of postconsumer paint.
- c. Describe efforts to increase recyclability of postconsumer paint.
- d. Describe efforts to track consumer awareness of the program.
- e. Describe efforts to track job impacts resulting from the paint stewardship program.
- f. Describe any adjustments to goals stated in the approved stewardship plan and accompanying rationale for those changes.

How this criterion will be evaluated:

- a. Provide specific information on the measurement methodology and data sources.
- b. Program data shall be collected for purposes of annual report submittal. Data shall be California specific. The annual report shall include, but is not limited to, quantitative information and discussion on the following categories (see Table: Overview of Data Collection):
 - i. The total volume of postconsumer architectural paint sold in the state during the preceding calendar year.
 - ii. A description of the methods used to collect, transport, and process postconsumer architectural paint in this state.

Table X: Overview of Potential Data Collection

<p>This table has some elements that are not required in AB 1343, but may assist in the overall evaluation of the program over the long term. The table should be refined to indicate what data shall be collected and by whom. Currently, items listed may be collected or tracked by multiple entities.</p> <p>Note: Throughout table units to report in need to be identified.</p>
Population (insert year)
Financing
Total program cost (\$)
Cost(\$)/capita
Cost (\$)/gallon collected
Education/Outreach (% of total program cost, with line items for reuse, recycling, fuel incineration, and landfilling)
End-of-life materials management (% of total program cost)
Program administration (% of total program cost)
Governance (program oversight) (% of total program cost)
Environmental
Materials management
Product sold (gallons)
Product collected (gallons)
Product sold that is available for collection (describe methodology used)
Amount and percent collected (from available for collection)
Amount and percent reused
Amount and percent recycled
Amount and percent for fuel incineration
Amount and percent landfilled
GHG emissions (tons)
\$ invested in product design/R&D
Program effectiveness
Progress against goals
Regulatory non-compliances
Demonstrated improvements in product design
Public awareness
Public participation ¹
Jobs attributable to stewardship program (Direct/Indirect²)
Local Government
Product Stewards

¹ Via survey results or other reported data, such as Form 303
<http://www.calrecycle.ca.gov/HomeHazWaste/Reporting/>

² “Direct” refers to number of jobs directly attributable to the manufacturer or stewardship organization employees working on the program. “Indirect” refers to # of jobs estimated attributable to contracted service providers. May be expressed in units of full-time equivalents (FTEs).

State Government
Materials extraction, processing, & manufacturing
Collectors & Recyclers
Retailers

6. **Market Development.** After four (4) years of program implementation, the manufacturer or stewardship organization shall include a description of possible market development activities to incentivize the market growth of secondary products made from postconsumer paint.

How this criterion will be evaluated:

The department shall review for informational purposes only.

7. **Financing Mechanism.** The report shall include a description of the total cost of implementing the architectural paint stewardship program and an evaluation of the program's financing mechanism, including whether or not the funding was sufficient to recover, but not exceed, the full cost of the product stewardship program.

How this criterion will be evaluated:

The annual report shall include the total cost of implementing the paint stewardship plan, including, but not limited to, items a. through i., below, and any necessary supporting documents. Per Section 48704 (b) (2), the department may release a summary form of any financial, production, or sales data in order to protect any proprietary information submitted. Any proposed change in the amount of the architectural paint stewardship assessment must be submitted to the department for re-approval (See Stewardship Plan Approval regulations [*cite regulation #*])

- a. Cost(\$)/capita
 - b. Cost (\$)/gallon
 - c. Education/Communications (% of total program cost)
 - d. End-of-life materials management (% of total program cost)
 - e. Program administration (% of total program cost)
 - f. Governance (program oversight) (% of total program cost)
 - g. Total cost to local government (if applicable)
 - h. Surplus funding, if any (by statute these funds are meant to be used to reduce program costs)
 - i. An evaluation of the per container assessment
8. **Outreach/Education.** List educational outreach activities outlined in the plan. Provide a description of educational materials that were provided to retailers, consumers, and contractors, during the reporting period (provide electronic samples). Identify the method(s) used to determine the effectiveness of educational and outreach surveys (e.g., surveys, hits on specific web pages, number of participants at events, etc). These education and outreach materials may include, but are not limited to, any of the following:
- a. Signage that is prominently displayed and easily visible to the consumer.

- b. Written materials and templates of materials for reproduction by retailers to be provided to contractors and consumers at the time of purchase or delivery or both.
- c. Promotional materials or activities, or both, that explains the purpose of paint stewardship and the means by which it is being carried out.
- d. Links to website(s) created and maintained by the organization.

How this criterion will be evaluated:

The results demonstrate positive effectiveness of education and outreach efforts.

9. Audits.

- a. Financial information. The report shall include an independent financial audit funded from the paint stewardship assessment.

How this criterion will be evaluated:

The department shall verify that independently audited financial statements are submitted with the annual report. The department may investigate further.

If the department decides to further review the findings of the independent auditor, the review will be conducted based on same information the individual manufacturer or stewardship organization provided to the independent auditor. The department may request supplemental information from the individual manufacturer or stewardship organization during the course of review of audit, if necessary. The department will inform the individual manufacturer or the stewardship organization within 60 days of the results of its review.

- b. Non-Financial Information (optional). The report may include an independent financial audit on the following information:
 - i. A description of how the postconsumer architectural paint was managed in accordance with the stewardship plan.
 - ii. The total amount of architectural paint sold and collected, and, if applicable, the recovery rate.

How this criterion will be evaluated:

The department shall review for informational purposes only.