

REQUEST FOR APPROVAL

To: **Howard Levenson**
Deputy Director, Materials Management and Local Assistance Division

From: **Shirley Willd-Wagner**
Branch Chief, Financial Resources Management Branch

Request Date: November 15, 2011

Decision Subject: Eligibility Criteria, Ranking Criteria, and Evaluation Process for the Local Government Waste Tire Cleanup Grant Program (Tire Recycling Management Fund, FY 2012/13), and Programmatic Changes for the Local Government Waste Tire Cleanup and Waste Tire Amnesty Event Grant Programs (Tire Recycling Management Fund)

Action By: November 28, 2011

Summary of Request: This request seeks approval of the proposed eligibility criteria, ranking criteria, and evaluation process for the Local Government Waste Tire Cleanup Grant Program (Cleanup Grant Program) for Fiscal Year (FY) 2012/13, in addition to several programmatic changes for this program and the Waste Tire Amnesty Event Grant Program (Amnesty Grant Program).

Staff will conduct the FY 2012/13 grant cycle for the Cleanup Grant Program using the application review and evaluation process applied in past cycles, except as described under *Proposed Changes*. Staff will rank applications based on the priority ranking criteria as explained in *Analysis and Findings*. Based on stakeholder input and staff's analysis of past cycles, staff recommends the following changes for both the Cleanup Grant and Amnesty Grant Programs:

1. Suspend the Cleanup Grant and Amnesty Grant Programs for FY 2011/12 and change the grant terms from one year to two years.
2. Separate the solicitations for the Cleanup Grant and the Amnesty Grant Programs.
3. Offer the Cleanup Grant and the Amnesty Grant Programs in alternate fiscal years, beginning with the Cleanup Grant Program in FY2012/13.
4. Combine the allocations for the Cleanup Grant and Amnesty Grant Programs and offer the combined total for the applicable grant solicitation each fiscal year.
5. Implement the online application process.

Staff recommends the following changes specifically for the Cleanup Grant Program:

1. Increase the maximum grant award per jurisdiction to \$100,000 for individual jurisdictions and up to \$250,000 for regional applicants.
2. Establish a cap of \$8.00 per tire.

Recommendation: Staff recommends approval of the proposed eligibility criteria, ranking criteria, and evaluation process for the Cleanup Grant Program for FY 2012/13, and of the changes listed above for both the Cleanup Grant and Amnesty Grant Programs.

Deputy Director Action:

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby approve the eligibility criteria, ranking criteria, and evaluation process for the Local Government Waste Tire Cleanup Grant Program for FY 2012/13, and the above-enumerated programmatic changes for both the Local Government Waste Tire Cleanup Grant and Waste Tire Amnesty Event Grant Programs.

Dated: 11/15/11



Howard Levenson
Deputy Director

Background Information

The Cleanup Grant Program was established in 1997. Local governments, including Local Enforcement Agencies, county and city departments, code enforcement agencies, and Qualifying Indian Tribes are eligible to apply for this competitive grant program. Grant funding is provided to eligible applicants for the collection, removal, transport, and end use or disposal of illegally dumped tires. Funds from this program are limited to the removal of waste tires along public rights-of-way and on private property with either: (a) less than 500 tires on site or (b) 500 to 5,000 tires if the property owner signs an affidavit stating that they did not bring the tires onto the site or allow others to bring the tires on site. Sites that are zoned agricultural are ineligible for this grant program until they have first attempted to obtain a grant through CalRecycle’s Farm and Ranch Solid Waste Cleanup and Abatement Grant Program.

The following table summarizes grants awarded in the Cleanup Grant Program:

Fiscal Year	Number of Sites/Grants	Amount Awarded
1997/98	8 sites	\$171,286
1998/99	4 sites	\$51,768
1999/00	6 sites	\$213,126
2000/01	0	*
2001/02	8 sites	\$449,889
2002/03	11 sites	\$646,260
2003/04	14 sites	\$712,286
2004/05	16 sites	\$735,511
2005/06	20 sites	\$778,044
2006/07	20 sites	\$845,867
2007/08	**15 grants	\$790,923
2008/09	**20 grants	\$834,943
2009/10	**19 grants	\$1,027,855
2010/11	**21 grants	\$1,081,559
Totals	107 sites/75 grants	\$8,339,317

* No funds available—sunset of tire fee.

** Previously the program provided grants for cleanup of specific sites. Beginning with FY 2007/08, the grant funds were awarded by jurisdiction to clean up an area where illegal dumping has occurred along public rights-of-ways, not a specific site. So, from FY 2007/08 on, the number in the “Number of Sites/Grants” column refers to the number of grants awarded, not the number of sites.

Statutory Authority

CalRecycle receives an annual appropriation from the California Tire Recycling Management Fund (Tire Fund) to administer the California Tire Recycling Act (Senate Bill 937 [Vuich] Statutes of 1990, Chapter 35) (PRC Sections 42860 et seq.). Public Resources Code (PRC) Section 42872 provides that CalRecycle can award grants to public entities who act to reduce the illegal disposal of waste tires. PRC Section 42889(b)(5) specifically authorizes CalRecycle to pay the costs of cleanup, abatement, removal, or other remedial action related to tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with CalRecycle.

In May 2011, CalRecycle adopted the *Draft Five-Year Plan for the Waste Tire Recycling Management Program – (6th Edition Covering Fiscal Years 2011/12-2015/16) Report to the Legislature (Draft Five-Year Plan)* which allocates \$1,000,000 for the Cleanup Grant Program and \$800,000 for the Amnesty Grant Program for FY 2012/13. The Plan is currently being reviewed by the Natural Resources Agency and the Governor’s Office before it is sent to the Legislature.

Analysis and Findings

Process for the Waste Tire Cleanup Grant Program for FY 2012/13

Staff will conduct the FY 2012/13 grant cycle for the Cleanup Grant Program using the application review, ranking criteria and evaluation process applied in past cycles, except as noted below under *Proposed Changes*.

Staff will post a Notice of Funds Available on CalRecycle's website informing potential applicants of the funding, eligibility requirements, deadlines and other important information. Previous grantees and other interested entities will be notified through mailing lists generated from the CalRecycle Grants Management System. Staff will perform a review of all applications to determine completeness. Complete applications will be evaluated to confirm applicant and project eligibility, as well as to determine the recommended grant amount. Cleanup Grant Program applications will be ranked in the following manner:

Disqualified: Cost per tire greater than \$8.00

Rank 1: *Serious threat to public health and safety and the environment*

Projects that propose to remediate waste tire piles within 1,000 feet of residential homes, schools, commercial or industrial centers, recreational areas, airports, waterways, electrical transmission lines or an environmentally sensitive area.

Others: All remaining applications not classified as Rank 1 will be considered according to their cost per tire. The application with the lowest cost per tire will be considered first below those in rank one. Should all eligible applications be considered rank one, cost per tire will be used as a secondary ranking criteria.

Proposed Changes to the Waste Tire Cleanup and Waste Tire Amnesty Event Grant Programs for FY 2011/12 and Subsequent Fiscal Years

Staff recommends the following changes be implemented for both programs:

1. Suspend the Cleanup Grant Program and the Amnesty Grant Program for FY 2011/12 and change the grant terms from one year to two years
In order to transition to a two-year grant term, the programs must be suspended for one fiscal year. Historically, the grant agreements are dated June 30; the last day of the applicable fiscal year. Instead, staff proposes that the grant cycle begin on July 1, the first day the funds are available, which would allow adequate time to run the program for two years. The two-year grant term will allow more time for jurisdictions to effectively expend all of their grant funds and help bridge the gap during the lapse in Amnesty grant funding.
2. Separate the solicitations for the Cleanup Grant Program and the Amnesty Grant Program
At its October 2005 meeting, the former California Integrated Waste Management Board approved combining the Cleanup Grant Program and the Amnesty Grant Program into one grant application process in an effort to streamline the grant award process. Due to the dissimilarities that now exist between the two programs and the difficulty of calculating grant award amounts, the programs can be more effectively managed separately. This separation is also necessary to facilitate the move to the online application format, beginning with the FY 2012/13 grant offering.
3. Offer the Cleanup and Amnesty Grant Programs in alternate fiscal years, beginning with the Cleanup Grant Program in FY 2012/13
4. Combine the allocations for the Cleanup and Amnesty Grant Programs and offer the combined amount for the applicable grant solicitation each fiscal year
The schedule for FYs 2012/13 and 2013/14 will be:
 - Cleanup - \$1,800,000; begins July 1, 2012 and runs through June 30, 2014.
 - Amnesty - \$1,800,000; begins July 1, 2013 and runs through June 30, 2016.

5. Implement the online application process

As part of CalRecycle's continued effort to update existing grant processes and procedures, the previous paper-based application will now be submitted online. Supporting documentation will now be scanned and uploaded into online the application system.

Staff recommends the following program changes be implemented specifically for the Cleanup Grant Program:

1. Increase the maximum grant award per jurisdiction

In the past, the maximum grant award was \$50,000 per site and \$200,000 for regional applicants. This amount was established on a per site basis when many large tire piles existed. With most of the large tire piles remediated, staff proposes a change from a per site limit to a per jurisdiction limit. In addition, staff proposes increasing the maximum grant award to support the lengthened grant term. Staff proposes a maximum award of \$100,000 for a single jurisdiction and up to \$250,000 for regional applicants.

2. Establish a cap of \$8.00 per tire

An analysis of previous cycle projects shows that waste tire cleanup grant projects have been successfully completed at approximately eight dollars (\$8.00) or less per tire. Therefore, staff proposes an \$8.00 per tire maximum. If an applicant requests grant funding that exceeds \$8.00 per tire, their application will be disqualified and not considered for grant award. This new limit will encourage applicants to develop more cost effective grant proposals.

Tentative Timeline for Local Government Waste Tire Cleanup Grant Program

Target Date	Activity
December 2011	Post Notice of Funds Available and Application Guidelines and Instructions on CalRecycle web site
February 1, 2012	Applications due
March 1, 2012	Secondary due date for Resolutions and Environmentally Preferable Purchasing and Practices Policy
February 2012 – March 2012	Conduct application evaluation/review; determine funding for eligible applicants
May 2012	Present recommended grant awards for consideration/approval
July 1, 2012	Grant term begins on this date or as soon as the State budget for FY 2012/13 has been signed and a Grant Agreement has been executed.
Notice to Proceed – June 30, 2014	Performance Period (Grantee may incur costs)
July 1, 2014 – September 30, 2014	Report Preparation Period (Grantee may only incur costs to prepare Final Report and Payment Request)
September 30, 2014	Grant term ends