

**REQUEST FOR APPROVAL**

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

**From:** Laurie Kikumoto  
Acting Branch Chief, Financial Resources Management Branch

**Request Date:** September 26, 2013

**Decision Subject:** Application Process, Applicant Eligibility, Project Eligibility, Evaluation Process and Scoring Criteria for the Used Oil Competitive Grant Program (Used Oil Recycling Fund, FY 2013/14)

**Action By:** October 15, 2013

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**Summary of Request:**

This Request for Approval proposes the applicant eligibility, project eligibility, application process, and scoring criteria for the Used Oil Competitive (UOC) Grant Program for Fiscal Year (FY) 2013/14. The available funding amount is \$7,000,000.

Staff proposes to conduct the FY 2013/14 grant cycle using the following process and eligibility criteria as summarized below:

1. California local government agencies, cities, counties or regional programs (consisting of several cities and/or counties) and nonprofit organizations (not including private schools) are eligible applicants. Only one application per eligible entity is allowed.
2. The grant proposal narrative must address at least one of the eligible activities identified in the Proposed Process and Eligibility section.
3. There will be a maximum of \$250,000 for individual applicants and \$1,000,000 for regional applicants.
4. Applications must be submitted via the online system.

**Recommendation:**

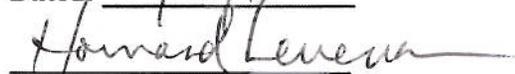
Staff recommends approval of the proposed applicant eligibility, project eligibility, application process, and scoring criteria for the UOC Grant Program FY 2013/14, as described below under Proposed Process and Eligibility.

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**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 applicant eligibility, project eligibility, application process, and scoring criteria for the UOC Grant Program for FY 2013/14.

**Dated:** 10/15/13



Howard Levenson  
Deputy Director

## Background and Analysis:

### Statutory Authority

California Public Resource Code (PRC) section 48632 authorizes the California Department of Resources Recycling and Recovery (CalRecycle) to award grants for any of the following purposes:

- Providing and maintaining collection and recycling opportunities for used lubricating oil and filters
- Research, testing and demonstration projects for in-service uses, collection technologies and end-of-life used oil management
- Developing uses and markets for products resulting from recycling used oil and filters
- Product advancements and developments in lubricating oil
- Education and mitigation projects relating to stormwater pollution from used oil

### Program Background

The purpose of the Used Oil Competitive Grant Program is to reduce the potential for illegal disposal by increasing used oil and filter collection, recycling opportunities, public education, source reduction, and reuse of used oil, and the prevention of stormwater pollution from used oil. All California local government agencies, cities, counties or regional programs (two or more cities and/or counties) and nonprofit organizations (except private schools) are eligible for these competitive grants. For local government agencies, the UOC Grant Program can provide additional funding to augment or expand oil and filter collection and informational programs established by funding they receive from CalRecycle's Oil Payment Program. Eligible applicants may submit an individual application. Only public applicants may submit a regional application.

The used oil grant program cycles were previously administered as three separate programs: Opportunity Grants, Nonprofit Grants, Testing and Demonstration Grants, and Research. Fewer funds were available for the last two cycles and no used oil competitive grant program cycles were offered during FY 2008/09 through 2012/13, due to budget constraints. The tables below summarize the history of used oil grant program cycles since FY 2003/04.

More than \$47 million in grant funds have been distributed since the Used Oil Opportunity Grant Program began in FY 1993/94. Nine grant cycles and 262 grants have been awarded. The table below represents the last three cycles.

FY	Program Priorities	Total # of Applicants	Total # of Grants Awarded	Total Funding
2007/08	Certified Collection Center Support and Training Collection	12	8	\$1,600,000
2005/06	Establish/Expand Facilities Collection	16	8	\$1,600,000
2003/04	CCC Support Establish/Expand Facilities Collection	22	17	\$3,000,000

More than \$14.3 million in grant funds have been distributed since the Used Oil Nonprofit Grant Program began in FY 1994/95. Eight grant cycles and 121 grants have been awarded. The table below represents the last three cycles.

FY	Program Priorities	Total # of Applicants	Total # of Grants Awarded	Total Funding
2007/08	CCC Support and Training Collection	4	2	\$407,000
2006/07	Oil Filter Collection	1	0	\$367,000
2004/05	Collection	16	7	\$1,128,000

More than \$8.5 million in grant funds have been distributed since the Used Oil Research Testing and Demonstration Grant Program began in FY 1994/95. Six grant cycles and 39 grants have been awarded. The table below represents the last three cycles.

FY	Program Priorities	Total # of Applicants	Total # of Grants Awarded	Total Funding
2007/08	Research and Demonstration projects promoting recycling	1	0	\$407,000
2006/07	Filter Collection Promoting Re-Refined Oil	9	3	\$550,000
2004/05	Collection Publicity and Education Oil source reduction strategies R&D projects promoting recycling	9	4	\$1,100,000

#### FY 2013/14 Cycle Proposed Process and Eligibility

Senate Bill 546 (Lowenthal, 2009) increased fees paid by oil manufacturers, which has resulted in increased revenues to the Used Oil Recycling Fund. Consequently, CalRecycle allocated, as part of the three-year used oil spending plan approved in September 2013, an amount totaling \$7 million for the FY 2013/14 Used Oil Competitive Grant cycle. (CalRecycle also approved allocations for other activities that will support used oil collection, including contract support for CCCs and Curbside Collection programs, and additional targeted outreach activities.)

Staff will conduct an initial review of all applications to confirm applicant eligibility and application completeness. Exercising the same process applied in past competitive cycles, applications will be evaluated and scored by a review panel of CalRecycle staff based on the attached Scoring Criteria. Staff is proposing UOC Grant cycle selection processes in the following four areas:

#### 1) *Eligible Applicants*

California local government agencies, cities, counties or regional programs (two or more cities

and/or counties) and nonprofit organizations (except private schools) are eligible for these competitive grants. Eligible applicants may apply individually or as a participant in a regional application that involves more than one entity, but they may not submit multiple applications. One entity must be identified as the lead applicant to act on behalf of itself and its participating applicants.

2) *Focus of Grant Program*

A survey of stakeholders conducted in July 2013 indicated a greater interest in priorities consistent with the three focus areas below. All applicants must include one or more of the focus areas in their application to be eligible for this cycle.

- Implement or expand a used oil and filter collection program (includes, but is not limited to local facilities, marinas and curbside)
- Mitigation projects preventing used oil stormwater pollution (only available to those jurisdictions with approved stormwater management programs)
- Public education and outreach to inform the public of local used oil and filter recycling opportunities and ways to prevent stormwater pollution caused by used oil

3) *Maximum Grant Amounts*

Staff proposes that individual applicants may request up to \$250,000 and regional applicants (two or more cities and/or counties) may request up to \$1,000,000 for their proposed projects.

4) *Online Application*

As part of CalRecycle’s continued effort to streamline existing grant processes and procedures, applications must be submitted online. Supporting documents should be scanned and uploaded into the application system.

Tentative Timeline for UOC Grant Program (FY 2013/14)

As shown in the table below, staff will post a Notice of Funds Available (NOFA) on CalRecycle’s website informing potential applicants of the funding, eligibility requirements, deadlines, and other important information. Notices will also be distributed through the Grants Management System database, HHW Information Exchanges and Yahoo Group listserv, outreach presentations, and newsletters. NOFAs will be sent to current and past Used Oil Payment Program recipients, UOC Grant Program recipients and Used Oil Nonprofit Grant recipients. It will also be shared with CalRecycle’s Local Assistance and Market Development staff to inform their local jurisdictions. (Note: For the subsequent FY 2014/15 cycle, CalRecycle anticipates a funding level of approximately \$5 million.)

Date	Activity
November 2013	Post the NOFA, Application, and related instructions and documents on the web site
January 2014	Applications Due
February/March 2014	Conduct evaluation/review process of applications; determine funding for eligible applicants
April 2014	Grant awards presented at CalRecycle Public Meeting
April/May 2014	Grant Agreements distributed and executed
April 15, 2016	Grant term ends

**Attachment 1: Scoring Criteria for the Used Oil Competitive Grant Program UOC1 CYCLE 2013/14.**