

REQUEST FOR APPROVAL

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

From: Michelle Martin
Branch Chief, Financial Resources Management Branch

Request Date: February 10, 2015

Decision Subject: Eligibility Criteria, Evaluation Process, and Funding Allocations for the Local Conservation Corps Grant Program (California Beverage Container Recycling Fund, Electronic Waste Recovery and Recycling Account, California Tire Recycling Management Fund, and California Used Oil Recycling Fund, Fiscal Year 2015–16)

Action By: February 17, 2015

Summary of Request:

This memo seeks approval of proposed eligibility criteria, evaluation process, and funding allocations for the Local Conservation Corps (LCC) Grant Program for fiscal year (FY) 2015–16. The total funding amount is \$21,414,454.

Staff proposes to conduct the FY 2015–16 grant cycle using the same eligibility criteria, evaluation process, and funding allocation process utilized in FY 2014–15, except as described under *Proposed Changes* and summarized below:

- 1) Change fund allocations for each of the following fund sources (according to and contingent upon signing of the Governor’s Budget):
 - Electronic Waste Recovery and Recycling Account (\$8,000,000)
 - California Tire Recycling Management Fund (\$5,000,000)
 - California Used Oil Recycling Fund (\$2,000,000)
 - California Beverage Container Recycling Fund (BCRF)* (\$6,414,454)
**Authority for this activity from the BCRF fund is continuously appropriated and does not need Budget enactment.*
- 2) Increase the graduated base allocation for new Corps to \$600,000 for year one, \$700,000 for year two, and \$800,000 for year three.

Staff proposes specific funding allocations for each Corps as listed in Table 1.

Recommendation:

Staff recommends approval of the proposed eligibility criteria, evaluation process, and funding allocations listed in Table 1 for the LCC Grant Program for FY 2015–16.

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, evaluation process, and funding allocations for the LCC Grant Program for FY 2015–16.

Date: 2/17/15



Howard Levenson
Deputy Director

Background and Analysis:

Statutory Authority and Program Background

Pursuant to Public Resources Code (PRC) section 14581.1(a), CalRecycle is authorized to expend \$5,974,000 plus a cost of living adjustment (COLA) annually in the form of grants to certified community conservation corps [hereafter referred to as Local Conservation Corps (Corps)] for beverage container recycling and litter abatement projects. Upon appropriation by the Legislature, an additional \$15,000,000 is allocated from the Electronic Waste and Recovery and Recycling Account, the California Tire Recycling Management Fund, and the California Used Oil Recycling fund, pursuant to PRC section 17001(b), to fund grant projects consistent with the goals of those funds.

The Local Conservation Corps Grant Program was established in 1987. It provides annual funding to the Corps to provide recycling services and implement litter abatement projects that collect and divert recyclable materials from landfills. Certification for each Corps is provided by the California Conservation Corps (CCC) each year. Corps work closely with their local jurisdictions to maximize resources and increase recycling efforts in their communities. Each of the 14 Corps participate in a variety of recycling projects at schools, businesses, community events, large venues, and multi-family complexes, thereby supporting achievement of the state's 75 percent solid waste recycling goal.

Historically, this funding came entirely from the BCRF. Use of this funding was not contingent upon a signed Governor's budget as the BCRF is continuously appropriated. The funding allocation methodology included a base allocation of 75 percent of the total allocation divided equally among the existing Corps. The remaining 25 percent was distributed competitively (15 percent based on the Corps prior year beverage container recycling volume with the remaining 10 percent based on the volume increase from two years prior). Previously, newly certified Corps have received three graduated base allocations for three fiscal years before receiving an equal share of base funding (i.e., \$500,000 for year 1, \$600,000 for year 2, and \$700,000 for year 3). This year, staff recommends increasing this graduated base allocation as described under the *Proposed Changes* section; staff coordinated with the California Association of Local Conservation Corps regarding this proposal and the Association agrees with it.

In FY 2014–15, the funding for the Corps was diversified by adding funding from the Electronic Waste Recovery and Recycling Account, California Tire Recycling Management Fund, and California Used Oil Recycling Fund. Diversified funding allows the Corps to implement programs relating to beverage container recycling and litter abatement, the collection and recovery of used oil and electronic waste, and the clean-up and abatement of waste tires. Although the majority of the recycling programs conducted historically by the Corps have focused on beverage container recycling, all corps are developing projects related to waste tires, used oil, and e-waste.

Proposed Evaluation Process and Eligibility

Eligible applicants for this grant program are Corps that are designated by a county to perform litter abatement, recycling, and related activities, and that are certified by CCC. Certification criteria include operating for a minimum of two years and all other criteria of PRC section 14507.5(a). The CCC conducts annual site visits of each Corps and provides a final certification review report to CalRecycle by March 31st of each fiscal year documenting the eligibility of Corps to receive funding.

Subsequently, each Corps must submit an application to CalRecycle. Staff will conduct an initial review of all applications to confirm applicant eligibility and application completeness. Each Corps is required to submit a comprehensive budget for each respective funding source which will be reviewed and approved prior to the execution of formal grant agreements which include Terms and Conditions, as well as Procedures and Requirements.

- 1) **Eligible Activities:** The Corps will identify activities related to each funding source. These activities will be identified on the application and reported during the grant term. CalRecycle staff propose the activities listed below as eligible. Related activities not listed below must be submitted to the appropriate CalRecycle grant manager for prior approval.

E-Waste:

- E-waste recycling (if permitted)
- E-waste collection
- Education and outreach
- Provide event labor and staff resources in partnership with local jurisdictions
- Surveying and research

Waste Tire:

- Collection and hauling services (if permitted)
- Clean-up events
- Education and outreach
- Provide event labor and staff resources in partnership with local jurisdictions
- Fleet support for local businesses and of governmental agencies

Used Oil:

- Establishing a Certified Collection Center
- Certified Collection Center signage compliance
- Hosting filter exchange event
- Education and outreach
- Partner with local jurisdictions

Beverage Container Recycling (*activities have remained the same*):

- Operation of recycling center
- Clean-up events
- Education and outreach
- Collection programs at businesses, schools, multi-family complexes, and large venues
- Partnerships with businesses, local jurisdictions, or government agencies to provide recycling services

- 2) Funding allocation methodology: The existing methodology distributes allocations from each funding source equally among 13 Corps, with a reduced amount to newly certified Corps.

Proposed Changes

- 1) In FY 2014-15, the Governor’s Budget allocated the following for each of the funds: Electronic Waste Recovery and Recycling Account (\$4,000,000), California Tire Recycling Management Fund (\$2,500,000), California Used Oil Recycling Fund (\$1,000,000), California Beverage Container Recycling Fund (BCRF) (\$13,474,000). For this FY, funds appropriated from the Electronic Waste Recovery and Recycling Account, California Tire Recycling Management Fund, and California Used Oil Recycling Fund are all increasing, while appropriated funds from the California Beverage Container Recycling Fund are decreasing (as shown in the last row of Table 1). Table 1 below lists the distribution of funds based on increased allocations for this fiscal year, contingent upon signing of the Governor’s Budget.

Table 1. Proposed Funding Allocations

Local Conservation Corps Name	BCRF (COLA)*	E-Waste	Waste Tire	Used Oil	Total Allocation All Funding Sources
Civicorps Schools	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Fresno Local Conservation Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Los Angeles Conservation Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725

Local Conservation Corps Name	BCRF (COLA)*	E-Waste	Waste Tire	Used Oil	Total Allocation All Funding Sources
Conservation Corps of Long Beach	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Conservation Corps North Bay	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Orange County Conservation Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Sacramento Regional Conservation Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
San Francisco Conservation Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
San Gabriel Valley Conservation Corps **	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
San Jose Conservation Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Sequoia Community Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Urban Corps of San Diego County	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
San Joaquin Regional Conservation Corps	\$474,986	\$592,395	\$370,246	\$148,098	\$1,585,725
Southern California Mountains Foundation***	\$239,636	\$298,865	\$186,802	74,726	\$800,029
Totals	\$6,414,454	\$8,000,000	\$5,000,000	\$2,000,000	\$21,414,454

*The COLA is calculated using a 2.1% Consumer Price Index (CPI), as provided by Division of Recycling; this will be detailed in the Division of Recycling's next quarterly report.

** This award contingent upon San Gabriel Conservation Corps meeting all stipulations set forth in its Corrective Action Plan (Amended 2015).

*** Reduced amount to newly certified Corps; Southern California Mountains Foundation was first certified in 2013. Additional \$29 due to rounding to whole dollar amounts.

- 2) For FY 2015–16 CalRecycle, with the support of the California Association of Local Conservation Corps, has proposed increasing the graduated base allocation to \$600,000 for year one, \$700,000 for year two, and \$800,000 for year three. In year four, a new Corps will receive an equal share of all the funding. Corps receiving graduated funding shall also be allocated any remainders left after equal distributions to all other Corps.

Tentative Timeline for FY 2015–16

As shown in the table below, staff will post the Notice of Funds Available (NOFA) on CalRecycle's website informing Corps of the funding, eligible projects, deadlines, and other important information.

Date	Activity
April 2015	Post the NOFA on the CalRecycle Website
May 2015	Applications due
June 2015	Grant awards presented at CalRecycle Public Meeting
July 2015	Grant Agreements distributed and executed: Grant term ends June 30, 2017