

REQUEST FOR APPROVAL

To: Howard Levenson and Ted Rauh
Assistant Directors

From: Brenda Smyth
Division Chief

Request Date: March 29, 2010

Decision Subject: Reallocation of Tire Funds Fiscal Year 2009/10

Action By: April 24, 2010

Summary of Request: This is a proposal to reallocate unspent Fiscal Year (FY) 2009/10 Tire Funds to other tire activities that need additional funding. Currently, \$355,540 in unencumbered funds is available to be reallocated. In addition, \$1,000,000 from the Emergency Reserve could be reallocated contingent upon no emergency situations occurring on or before June 30, 2010.

Recommendation: Staff recommends that the reallocation of unspent FY 2009/10 Tire Funds be reallocated to the six projects listed below.

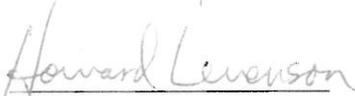
Assistant Director Action: On the basis of the information and findings in this Request for Action, I hereby approve the allocations as listed below in order of recommended funding as it becomes available, including use of the Emergency Reserve funds contingent upon no emergency occurring prior to June 30, 2010, that requires the use of these funds:

Proposed Tire Activities to Receive Unspent FY 2009/10 Tire Funds

1. \$65,000 - Augment *Evaluation of the Safety of Synthetic Turf Fields Containing Crumb Rubber from Recycled Tires* Contract IWM07077
2. \$100,000 - Augment the Tire Research Funds in the *Infrastructure Baseline Inventory and Information Management Framework* Contract IWM07024
3. \$248,627 - Local Government Waste Tire Cleanup and Amnesty Event Grant Program - B List FY 2009/10
4. \$554,507 - Targeted Rubberized Asphalt Concrete Grant Program - B List FY 2008/09
5. \$387,406- Local Government Waste Tire Enforcement Grant Program - B List FY 2009/10
6. \$560,048 - Chip Seal Grant Program - B List FY 2008/09

Assuming the \$1,000,000 in Emergency Reserve funds do become available, this will result in fully funding items 1 through 4, and in funding almost one-half of item 5.

Dated: 4/30/10



Howard Levenson
Assistant Director



Ted Rauh
Assistant Director

Attachments:

- Attachment 1 – Table 1: Tire Program Unencumbered Funds Remaining for FY 2009/10
- Attachment 2 – Table 2: Tire Program Activities Estimated FY 2009/10 Tire Funds Reallocation Needs and Proposed Reallocation Amounts

Background Information, Analysis, and Findings:

The Department of Resources Recycling and Recovery (CalRecycle) receives an annual appropriation through the Budget Act from the California Tire Recycling Management Fund (Tire Fund) to administer the California Tire Recycling Act and related legislation. Senate Bill (SB) 876 (Escutia, Statutes of 2000, Chapter 838) created the resources and the regulatory protocol to establish programs that would properly manage the waste tire flow in California. The programs proposed to implement the provisions of SB 876 are detailed in the *Five-Year Plan for the Waste Tire Recycling Management Program – 5th Edition Covering Fiscal Years 2009/10 – 2013/14 – Report to the Legislature (Five-Year Plan)*, and include the following elements: waste tire enforcement; waste tire remediation; tire research; market development; and waste tire hauler and manifest.

The FY 2009/10 Tire Fund allocation was adopted on May 12, 2009, as part of adopting the Five-Year Plan. For FY 2009/10, CalRecycle's \$33,634,000 allocation from the Tire Fund is comprised of funding for Consulting and Professional Services (C&P) and Local Assistance activities.

Currently, \$355,540 in unencumbered funds is definitely available in the waste tire enforcement and market development elements of the Five-Year Plan. However, the final total amount that will actually be available cannot be determined at this time. This is because the exact estimated amounts of some of potentially unencumbered funds will not be known until the remaining Grant Awards and Contract recommendations listed in Table 1 are awarded in May 2010. In addition, \$1,000,000 from the Emergency Reserve could be reallocated contingent upon no emergency situations occurring on or before June 30, 2010.

This document is structured to first show the overall Tire Fund C&P and local assistance allocations and the status of allocated funds (i.e., encumbered or unencumbered) in Attachment 1, and then presents Staff's proposed reallocation of funds in Attachment 2.

Attachment 2 contains two current contracts seeking additional funding, two oversubscribed grant programs from FY 2008/09, and two oversubscribed grant programs from FY 2009/10 seeking funding totaling \$1,915,588.

Programs with Previous FY 2009/10 Allocation for which Part or All of Allocation is Not Needed

Unencumbered program activities for which prior allocations are not needed, and the resulting estimated available funds are described below:

Enforcement Support Activities---\$195,000

For FY 2009/10, CalRecycle allocated \$245,000 for these projects. The California Highway Patrol enforcement assistance and Air Resources Board surveillance camera contracts were put in place last

year and currently there are sufficient funds in those contracts to cover activities. Staff will be entering into a new contract next year for these activities. Therefore, \$195,000 is available for reallocation.

Enforcement Support Activities---\$30,000

For FY 2009/10, CalRecycle allocated \$50,000 for this effort. CalRecycle has entered into an agreement with California District Attorneys Association for \$20,000. Therefore, \$30,000 is available for reallocation.

Tire Equipment Loan Program---\$87,500

For FY 2009/10, \$4,000,000 was allocated for this program. CalRecycle has awarded four loans this fiscal year totaling \$3,912,500. Therefore, \$87,500 is available for reallocation.

Sharing of Environmental Education Materials Throughout the Border Region---\$40

For FY 2009/10, \$20,000 was allocated for this activity. In the fall of 2009, staff reproduced the curriculum for a total cost of \$19,960. Therefore, \$40 is available for reallocation.

Tire Events---\$43,000

For FY 2009/10, \$118,000 was allocated for this activity. CalRecycle has contracted with California State University, Sacramento for tire events. At this time it has been determined that only \$75,000 will be needed for tire events; therefore, \$43,000 is available for reallocation.

Emergency Reserve---\$1,000,000

SB 876 legislation requires that the CalRecycle create and maintain an emergency reserve account, which shall not exceed \$1 million dollars. These funds could be reallocated contingent upon no emergency situations occurring on or before June 30, 2010.

Programs Proposed for Reallocation FY 2009/10 Funding

Proposed reallocation projects are listed in Attachment 2 in staff's recommended ranking order of funding priority. A brief description of program activities with reallocation needs, as listed in Attachment 2, is provided below in order of recommended funding.

Augment the Evaluation of the Safety of Synthetic Turf Fields Containing Crumb Rubber from Recycled Tires Contract IWM07077 ----\$65,000

The contract was initiated on June 16, 2008, with an end date of May 31, 2010. The Office of Environmental Health Hazard Assessment (OEHHA) is the contractor performing the research. This contract was originally funded by FY 2007/08 funds for a total of \$200,000.

The purpose of this contract is to determine the health impacts of synthetic turf fields that are made from crumb rubber from recycled tires. There are a number of studies completed on this subject but none of them offer a full and complete understanding of the subject. This study would analyze the following topics: Particulate matter (inhalable portion), Volatile Organic Compounds (VOC), inhalation and risk assessment, skin abrasion and infection rates, as well as performing a literature review to determine what information is available already and what data gaps exist. This contract will also fulfill the mandates of Senate Bill 1277 (Maldonado, Statutes of 2008, Chapter 398).

In June of 2009, Governor Schwarzenegger issued Executive Order S-09-09 which, among other things, prohibited state agencies from entering into any new contracts. Because OEHHA required the services of an independent laboratory to complete the VOC testing, which would require a new contract, sampling was delayed. When Executive Order S-09-09's ban on new contracts was lifted, it was too late for OEHHA to execute a new contract for laboratory testing and collect samples during hot summer months of 2009. Because summer sampling for VOC's is necessary to comply with the requirements of SB 1277, an extension for time and money was necessary in order to fully comply with the requirements. The additional time will allow for sampling during the summer of 2010 and the additional \$65,000 in funds will allow for a more thorough understanding of how temperature affects VOC releases from these fields.

Augment the Tire Research Funds in the Infrastructure Baseline Inventory and Information Management Framework Contract IWM07024----\$100,000

The contract was initiated in July 2008 with an end date of June 30, 2010. The contract was awarded to R.W. Beck Inc. and includes \$200,000 from the FY 2007/08 Tire Fund for tire-related tasks.

This contract will develop an information needs assessment, display locations, metrics and material flows for existing tire disposal and diversion facilities, model the future need for and location of new tire facilities based on scenarios for the impacts of population growth and policy changes, and provide programming specifications for database and geographic information system (GIS) applications to improve and evaluate tire material collection, disposal and diversion. The study results will allow CalRecycle staff to provide information in summary text, chart and map formats such as database reports and a searchable GIS application. Presenting the information as mapped data would give local jurisdictions sophisticated but easy to understand information to more effectively target their expenditures, facilitate regional facility needs assessments by internal and external decision-makers, provide more accurate metrics of program success, and ensure that environmental justice considerations are being taken into account relative to the location of facilities.

On August 31, 2008, the Governor issued Executive order S-09-08 that suspended all contract work statewide until October 15, 2008. Due to this delay and the project taking longer than originally anticipated, not all the tire-related tasks will be completed within the contract deadline and a significant portion of the FY 2007/08 Tire Funds will be unspent and will revert to the Tire Fund. The contractor has asked for a time extension to finish the contract scope of work and the tire-related tasks. CalRecycle staff proposes a time extension and augmentation of the contract by re-funding the tire-related tasks where FY 2007/08 funds are reverting with an allocation of \$100,000 from the FY 2009/10 Tire Fund.

Local Government Waste Tire Cleanup and Amnesty Event Grant Program – B List FY 2009/10----\$248,627

For FY 2009/10 \$2,100,000 was allocated for this combined grant program. CalRecycle received 46 applications of which 45 were eligible applicants. Proposed funding for the 45 eligible applications totals \$2,348,627. At the time this document was prepared, staff anticipates discussing these awards at the Waste Compliance and Mitigation Program's public meeting on April 12, 2010. At that meeting,

Staff will be seeking approval of funding for 36 applicants and partial funding for five applicants, for a total of \$2,100,000. From the unused FY 2009/10 funds, staff is proposing CalRecycle approve funding for the remaining four applicants and the balance of five applications being recommended for partial funding, for a total of \$248,627, a listing of the remaining passing applicants can be found below.

Applicant	Recommended Amount
City of Lake Elsinore – <i>Partial Funding</i>	\$23,643
Hopland Band of Pomo Indians	\$9,551
City of San Diego – <i>Partial Funding</i>	\$20,021
Marin County	\$20,101
Coachella Valley Assoc. of Govts.	\$89,000
San Diego County – <i>Partial Funding</i>	\$30,000
City of Chino	\$20,000
City of Beaumont – <i>Partial Funding</i>	\$6,311
City of Los Angeles – <i>Partial Funding</i>	\$30,000
Total Amount to Fund	\$248,627

Targeted Rubberized Asphalt Concrete Grant Program – B List FY 2008/09---\$554,507

CalRecycle allocated \$2,250,000 for FY 2008/09 and \$3,850,000 for FY 2009/10. When RAC grants were offered for FY 2008/09, CalRecycle (then known as CIWMB) received more eligible applications than monies were available. Thus, after awarding all FY 2008/09 monies, there were eligible applicants on the List B (award waiting list). The Board directed that FY 2009/10 monies be used to make awards to the List B. The Board also acknowledged that “should other additional funds become available to fund any remaining eligible applicants”, this should be acted upon. This is the situation we are in at the present. After making contact with the applicants remaining on List B, we are recommending the five applicants listed below be funded in the amount of \$554,507 with FY 2009/10 reallocated funds until such funds are exhausted.

Applicant	Recommended Amount
City of Glendale – <i>Partial Funding</i>	\$48,108

Siskiyou County	\$130,000
City of Delano	\$133,680
City of South Gate	\$95,619
City of Sacramento	\$147,100
Total Amount to Fund	\$554,507

Local Government Waste Tire Enforcement Grant Program – B List FY 2009/10---\$387,406

For FY 2009/10 \$7,141,334 was allocated for this program. CalRecycle has received forty-three (43) applications totaling \$8,002,816. After reviewing the applications all forty-three (43) were deemed eligible with twenty-seven (27) applications recommended for full funding and sixteen (16) recommended for partial funding totaling \$7,141,334. An additional sixteen (16) are being recommended for partial funding totaling \$387,406 (B List). A listing of the B List applicants seeking reallocated funds are below.

Applicant	Recommended Amount
City of Berkeley – Partial Funding	\$24,826
Calaveras County– Partial Funding	\$11,805
Contra Costa County– Partial Funding	\$47,463
Lake County– Partial Funding	\$13,195
Madera County– Partial Funding	\$40,200
Merced County– Partial Funding	\$16,960
Monterey County– Partial Funding	\$17,572
Nevada County– Partial Funding	\$14,480
City of San Diego– Partial Funding	\$28,834
San Joaquin County– Partial Funding	\$29,758
City of San Jose– Partial Funding	\$38,748
San Mateo County– Partial Funding	\$23,423
Santa Clara County– Partial Funding	\$25,932
Solano County– Partial Funding	\$26,397
Tuolumne County– Partial Funding	\$11,481
Yolo County– Partial Funding	\$16,332
Total Amount to Fund	\$387,406

Chip Seal Grant Program – B List FY 2008/09----\$560,048

For FYs 2008/09 and 2009/10 CalRecycle allocated \$2,000,000 for each fiscal year. When the Chip Seal grants were offered for FY 2008/09, CalRecycle received more eligible applications than monies were available. Thus, after awarding all FY 2008/09 monies, there were eligible applicants on the List B (award waiting list). The Board directed that FY 2009/10 monies be used to make awards to those on the List B. The Board also acknowledged that “should other additional funds become available to fund any remaining eligible applicants”, this should be acted upon. This is the situation we are in at the present. After making contact with the Applicants remaining on List B, we are recommending the eight Applicants listed below be funded in the amount of \$560,048 with FY 2009/10 reallocated funds until such funds are exhausted.

Applicant	Recommended Amount
City of Glendale – <i>Partial Funding</i>	\$95,346
City of Woodlake	\$77,226
City of Lemoore	\$72,549
City of Buena Park	\$80,000
City of Corona	\$74,800
City of Sanger	\$64,200
Town of Moraga	\$55,327
City of Lemon Grove	\$40,600
Total Amount to Fund	\$560,048

Timeline

The State's current fiscal year ends June 30, 2010. At that time, CalRecycle's approved expenditure authority expires and the unencumbered funds will revert to the Tire Fund. All funding for contracts and grants must be encumbered before that date, typically at the beginning of June, to allow sufficient time for processing the required paperwork.