

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: September 6, 2012

Decision Subject: Eligibility Criteria, Ranking Criteria, and Evaluation Process for the Local Government Waste Tire Amnesty Grant Program (Tire Recycling Management Fund, FY 2013/14)

Action By: October 16, 2012

Summary of Request: This memo seeks approval of the proposed eligibility criteria, ranking criteria, and evaluation process for the Local Government Waste Tire Amnesty Grant Program (Amnesty Grant Program) for FY 2013/14. We estimate that \$1,800,000 will be available to fund waste tire amnesty collection conducted during a two year period, from July 2013 through June 2015.

Staff will conduct the FY 2013/14 Amnesty Grant Program cycle using the application review and evaluation process applied in past cycles, except as described under *Proposed Changes*. The following changes are recommended based on stakeholder input and staff's analysis of past cycles:

- Increase the maximum grant award amount
- Establish a cap of \$5.00 per tire

Recommendation: Staff recommends approval of the proposed eligibility criteria, ranking criteria, and evaluation process for the Amnesty Grant Program for FY 2013/14 as described below under Proposed Process and Eligibility.

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 Amnesty Grant Program for FY 2013/14.

Dated: 10/25/12

Howard Levenson

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Deputy Director

Background and Analysis:

Statutory Authority

Public Resources Code (PRC) Section 42872 authorizes CalRecycle to award grants to public entities who act to reduce the illegal disposal of waste tires. 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) (Public Resources Code (PRC) Sections 42860 et seq.).

In May 2011, CalRecycle adopted the *Five-Year Plan for Waste Tire Recycling Management Program – (6th Edition Covering Fiscal Years 2011/12-2015/16)*. \$1,000,000 is allocated for the Local Government Waste Tire Cleanup Grant Program and \$800,000 is allocated for the Amnesty Grant Program for FY 2013/14. However, in November 2011, the Deputy Director approved reallocation of these funds, effectively combining the Five-Year Plan allocations for the Local Government Waste Tire Cleanup Grant Program and the Amnesty Grant Program each fiscal year, and allocating the combined amount to the two programs in alternating fiscal years, beginning with the Local Government Waste Tire Cleanup Grant Program in FY 2012/13. Allocated funding for the Amnesty Grant Program is estimated to be \$1,800,000 for FY 2013/14.

Program Background

The Amnesty Grant Program is a competitive grant program designed to help divert waste tires from landfill disposal and prevent illegal tire dumping. Funds are used to hold date specific collection events in convenient locations for members of the public to bring their tires, in non-commercial quantities, at no charge. California cities, counties, special districts, Qualifying Indian Tribes, and other political subdivisions and jurisdictions joined together by formal agreements are eligible to apply.

The following table summarizes recent grant awards in the Amnesty Grant Program:

Fiscal Year	Number of Grants	Amount Awarded
2004/05	17	\$704,793
2005/06	31	\$808,879
2006/07	33	\$807,416
2007/08	43	\$1,198,594
2008/09	39	\$1,240,311
2009/10	42	\$1,307,052
2010/11	43	\$1,118,441
2011/12	0	*
2012/13	0	**
Totals	248	\$ 7,185,486

* The program was suspended for FY 2011/12

** Funding was allocated to the Local Government Waste Tire Cleanup Grant Program

Proposed Process and Eligibility

Staff will conduct the FY 2013/14 grant cycle 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. In addition, potentially interested entities and previous grantees will be notified through mailing lists generated from the Grants Management System. Staff will review all applications to determine completeness. Complete applications will be evaluated to confirm applicant and project eligibility and determine the recommended grant amount. Amnesty event projects will be ranked based on the established priority ranking criteria that were approved in August 2010:

- Rank 1 – Lowest cost per tire for amnesty events that use recycling as the end use for waste tires collected.
- Rank 2 – Lowest cost per tire for amnesty events that use landfilling as the end use for waste tires collected.

Proposed Changes

Starting with FY 2013/14, staff recommends the following program changes be implemented:

1) Increase the maximum grant awards

Staff recommends increasing the maximum grant award from \$30,000 to \$40,000 for eligible individual applicants and from \$90,000 to \$100,000 for eligible regional applicants. Regional applicants are two or more jurisdictions who apply jointly pursuant to a formal agreement. With the transition to a two year cycle, grantees will need additional funds to continue the amnesty events into the second year.

2) Establish a cap of \$5.00 per tire

Historically, there was a higher request for funds than the amount available for the Amnesty Grant Program. However, some of these applicants requested an unreasonable amount of funds with costs reaching \$11.00 per tire, and were not funded. A further analysis of previous grant cycles indicates that the majority of Amnesty grantees effectively conducted amnesty events for an overall cost of \$5.00 per tire or less. Based on this data, staff recommends a cap on the overall cost of the grant project of \$5.00 per tire or less. If a grant proposal is more than the overall cost of \$5.00 per tire, the application will be disqualified and not considered for a grant award. This new limit will encourage applicants to develop more cost effective project proposals and will demonstrate which applicants should look for other options for collecting the waste tires in their jurisdiction. Establishing a "cost per tire" limit for grant proposals will also help distribute limited program funding to more applicants statewide.

Tentative Timeline

Target Date	Activity
December 2012	Post Notice of Funds Available and Application Guidelines and Instructions on CalRecycle web site
February 2013	Applications due
March 2013	Secondary due date for Resolution
March/April 2013	Conduct application evaluation/review process; determine funding for eligible applicants
April 2013	Grant awards presented at CalRecycle's Public Meeting
July/August 2013	Grant Agreements distributed and executed
June 30, 2015	Grant Performance Period ends
June 30 2015- September 30, 2015	Report Preparation Period-personnel costs may be incurred to prepare Final Payment Request and Final Report
September 30, 2015	Grant term ends-Final Payment Request and Final Report Due