

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 20, 2011

Decision Subject: Approval of Eligibility Criteria and Evaluation Process for the Local Government Waste Tire Enforcement Grant Program (Tire Recycling Management Fund, FYs 2011/12 and 2012/13)

Action By: September 27, 2011

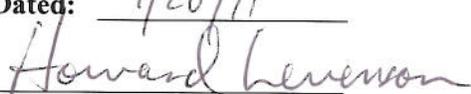
Summary of Request: This memo seeks approval of the proposed eligibility criteria and the evaluation process for the Local Government Waste Tire Enforcement Grant Program (Tire Enforcement) for FYs 2011/12 and 2012/13. In May 2011, CalRecycle adopted the *Draft Five-Year Plan for Waste Tire Recycling Management Program – (6th Edition Covering Fiscal Years 2011/12-2015/16), (Draft Five Year Plan)* which allocates \$7,775,000 in FY 2011/12; and \$7,000,000 in FY 2012/13 for Tire Enforcement grants.

Staff will conduct the FY 2011/12 and FY 2012/13 grant cycles using the application review and evaluation process applied in FY 2010/11, except as described under *Proposed Changes* and summarized below:

- Implement an online application process
- Delete promotional items as an eligible expense

Recommendation: Staff recommends approval of the proposed eligibility criteria and evaluation process for the Tire Enforcement Grant Program for FYs 2011/12 and 2012/13.

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 and evaluation process for the Local Government Waste Tire Enforcement Grant Program for FYs 2011/12 and 2012/13.

Dated: 9/20/11

Howard Levenson
Deputy Director

Background Information

The purpose of this grant program is to enhance the statewide waste tire enforcement infrastructure in California. This grant program augments CalRecycle’s enforcement efforts in overseeing the proper management and flow of waste tires throughout the state. In general, grant funds can be used for activities such as identifying waste tire sites; conducting waste tire facility inspections; investigating illegal tire disposal activities; reviewing waste tire hauler documents; issuing Notice of Violations; and ensuring that tire dealers, auto dismantlers, tire haulers, and others comply with all applicable laws, storage standards and manifest requirements.

Eligible applicants must be a city, a county, or a city and county. Applicants may apply individually or as a participant in a collaborative program that involves a city/county. New city applicants must have 50 or more active waste tire businesses within their jurisdiction that have Tire Program Identification numbers.

Priorities for this grant program are to:

- Offer a sufficient, stable, and non-competitive funding source;
- Ensure consistent statewide inspection and enforcement coverage;
- Ensure cost-effective and successful local waste tire enforcement programs;
- Evaluate and assess grantee performance and enforcement program effectiveness; and
- Streamline grant program processes that will result in improved efficiencies.

The maximum grant award that eligible applicants may request and be awarded up to is as follows:

- \$300,000 for jurisdictions with populations equal to or less than 900,000;
- \$450,000 for jurisdictions with populations 900,001 through 2,000,000; and
- \$600,000 for jurisdictions with populations of 2,000,001 or more.

Participation in the Tire Enforcement Grant Program continues to increase. The program has grown from nine grantees in FY 1997/98 to 46 grantees in FY 2010/11. As a direct result of the Tire Enforcement grants, local agencies have a much more vital and expanded role in the enforcement effort.

The following table summarizes grant awards in the Tire Enforcement Grant Program:

Fiscal Year	Number of Awards	Amount Awarded
1997/98	9	\$ 315,266
1998/99	9	\$ 356,325
1999/00	8	\$ 499,645
2000/01	0	0*
2001/02	8	\$ 764,804
2002/03	24	\$ 3,720,473
2003/04	36	\$ 4,712,549
2004/05	38	\$ 5,249,335
2005/06	39	\$ 5,667,495
2006/07	39	\$ 5,702,800
2007/08	41	\$ 6,558,142
2008/09	39	\$ 6,749,989
2009/10	43	\$ 7,528,740
2010/11	46	\$ 7,775,000
Totals		\$55,600,563

* No funds available—sunset of tire fee.

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) (Public Resources Code (PRC) Sections 42860 et seq.). PRC Section 42872 authorizes CalRecycle to award grants to public entities who take actions to reduce illegally disposed 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* which allocates \$7,775,000 in FY 2011/12 and \$7,000,000 in FY 2012/13 for the Tire Enforcement Grant Program. It is currently being reviewed by Natural Resources Agency and the Governor's Office before presentation to the Legislature.

Analysis and Findings

Process

Staff will conduct the FY 2011/12 and 2012/13 grant cycles using the application review and evaluation process applied in FY 2010/11, 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. Staff will perform a review of all applications to confirm applicant eligibility and determine the recommended grant amount. The recommended grant amount is primarily based on the applicant's population.

In accordance with past practice, if the grant program is oversubscribed (more requests for funding than is allocated), staff may recommend a modified grant award that is based on the jurisdiction's population and the total number of priority sites for inspection (sites with known threats to public health and safety).

Proposed Changes

For FYs 2011/12 and 2012/13, staff recommends the following changes be implemented:

1) Implement an online application process

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

Starting with the Used Oil Payment Program in 2010, CalRecycle has been converting its grant and payment offerings to be web-based rather than paper-based. Staff anticipates that most of CalRecycle's grant and payment offerings will be online within two years.

2) Delete promotional items as an eligible expense

In February 2011, Governor Jerry Brown's Office instructed all state agencies to review the use of all promotional items and disallow further purchases of such items. The Natural Resources Agency subsequently provided further direction to CalRecycle and as of March 14, 2011, the purchase and distribution of promotional give-away items are no longer eligible expenditures. To comply with this direction, effective FY 11/12, promotional give away items are not eligible expenditures under the Tire Enforcement Grant Program.

Tentative Timeline

Target Date	Activity
October 2011	Post Notice of Funds Available and Application Guidelines and Instructions on CalRecycle web site
November 30, 2011	Applications due
December 29, 2011	Secondary due date for Resolutions
December 2011 – February 2012	Conduct application evaluation/review process; determine funding for eligible applicants
March 2012 (tentative)	Present recommended grant awards for consideration/approval
June 2012	Execute Grant Agreements
September 30, 2013	Grant term ends