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: March 26, 2013

Decision Subject: Applicant Eligibility, Project Eligibility, Scoring Criteria and Evaluation Process for the Beverage Container Recycling Grant Program (California Beverage Container Recycling Fund, FY 2013/14 and FY 2014/15)

Action By: April 8, 2013

Summary of Request:

This Request for Approval proposes the applicant eligibility, project eligibility, scoring criteria, and evaluation process for the Beverage Container Recycling Grant (BCRG) Program for Fiscal Year (FY) 2013/14 and FY 2014/15. The funding amount is $1,500,000 for each fiscal year, contingent on approval in the annual budget.

Based on staff's analysis of past BCRG Program cycles, staff proposes to conduct the FY 2013/14 grant cycle using the application review and evaluation process applied in FY 2011/12 and FY 2012/13, except as described under *Proposed Changes* and summarized below:

1. Require that applications be submitted via the online system
2. Delete Phase 1 concept application process
3. Set the minimum grant award at $5,000 and the maximum grant award at $250,000 for applications meeting the criteria for funding
4. Revise bonus points criteria
5. Allow only one application per eligible entity
6. Eliminate individuals and private schools from eligible applicants

Recommendation:
Staff recommends approval of the proposed applicant eligibility, project eligibility, scoring criteria, and evaluation process for the FY 2013/14 and FY 2014/15 BCRG Program.

Deputy Director Action: On the basis of the information and analysis in this Request for Approval and the findings set our herein, I hereby approve the applicant eligibility, project eligibility, scoring criteria (Attachment 1) and evaluation process for the BCRG Program for FY 2013/14 and FY 2014/15.

Date: 4/18/13

Howard Levenson

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Deputy Director

Attachment 1 - Scoring Criteria for Beverage Container Recycling Grant Program, FY 2013/14.

Background and Analysis:

Statutory Authority
Public Resources Code (PRC), Division 12.1, Chapter 7, Section 14581(a)(5) authorizes the Department of Resources Recycling and Recovery (CalRecycle) to issue up to $1,500,000 annually in the form of grants for beverage container recycling and litter reduction programs.

Program Background
The availability of this beverage container grant funding for communities will provide opportunities for CalRecycle to address recycling challenges, aid in increasing beverage container collection and mandatory commercial recycling programs, and reduce beverage container litter in the waste stream.

The table below summarizes the funding history of the BCRG Program since FY 2003/04.

FY	Cycle	Total # of Applicants	Total # of Grants Awarded	Total Funding
2012/13	24	169	13	$1,500,000
2011/12	23	169	27	$740,714
2008/09	22	122	13	$1,500,000
2007/08	21	119	9	$1,500,000
2006/07	20	135	17	$1,500,000
2005/06	19	120	13	$1,500,000
2004/05	18	61	14	$1,455,572
2003/04 (Round 2)	17	47	20	$1,000,000
2003/04 & 2002/03	16	91	18	$1,000,000

Applicant and Project Eligibility
Eligible applicants for this grant program are:

- California cities, counties, other local government entities, Joint Powers of Authorities (JPAs), and Special Districts
- Public colleges and universities, public K-12 schools and school districts
- Private businesses generating four or more cubic yards of solid waste per week.
- Qualifying Indian Tribes
- Non-profit organizations

CalRecycle is seeking projects that implement new or enhance existing programs to provide convenient beverage container recycling opportunities in various locations statewide. Eligible projects include, but are not limited to, the following locations:

1) Multifamily dwellings (five units or more)
2) Public colleges and universities, Public K-12 schools and school districts
3) Private businesses generating four or more cubic yards of solid waste per week.
4) Entertainment/hospitality venues
5) Community events including, but not limited to, those sponsored by local jurisdictions
6) Parks/recreational areas

Proposed Process and Eligibility

Staff will conduct an initial review of all applications to confirm applicant eligibility and application completeness. Utilizing 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 (see Attachment 1). Staff recommends utilizing the same scoring criteria for both FY 2013/14 and FY 2014/15. Applications meeting the focus of the grant and receiving the highest scores will be recommended for funding/award. The review panel may request modifications to the Budget and/or Work Plan before the Award Request for Approval is prepared and approved and award letters are sent.

Proposed Changes

Staff recommends the following changes be implemented for FYs 2013/14 and 2014/15:

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

2) *Deletion of Two-Phased Approach*
   By deleting the previous cycles' two-phase approach requiring applicants to submit a concept and an application, staff would reduce the implementation cycle time from ten months to eight, focus on valuable and sustainable grant projects that meet AB 341's Mandatory Commercial Recycling (MCR) goals, narrow the applicant pool, and provide funding opportunities for viable projects. In addition, a one-phase approach will create efficiencies and streamline the application and review process. Concepts will not be required or scored during this grant cycle. Applicants instead will submit a full application with the required documents online.

3) *Minimum and Maximum Grant Amounts*
   Previous grant cycles did not include minimum or maximum awards for this grant program. Funding was awarded based on applications with the highest scores, regardless of the requested amount. Identifying a minimum award of amount of $5,000 and a maximum award amount of $250,000 for FYs 2013/14 and 2014/15 will streamline the review, scoring, and selection process for awarding the BCRG program while still supporting effective projects. Due to the limited funding available and the grant program being oversubscribed, the proposed minimum and maximum award amounts will establish an equitable award distribution of funding to a greater pool of eligible applicants and viable projects.

4) *Revise Bonus Points Criteria - Focus on AB 341's Mandatory Commercial Recycling (MCR)*
   Staff recommends providing ten bonus points for valuable and sustainable projects that assist local jurisdictions in meeting AB 341's MCR requirements. Businesses and public entities generating four or more cubic yards of solid waste per week and multifamily residential dwellings with five units or more are required to meet this mandate. Ten bonus points were awarded in previous cycles if: a) the applicant provided a detailed explanation proving the project served an underserved area or areas having limited beverage container recycling capacity or infrastructure and b) the applicant did not receive Beverage Container Recycling Grant funds from CalRecycle within the last five (5) years. The general scoring criteria sufficiently address the project need and underserved areas. In addition, few applicants met the bonus point criteria for not receiving BCRG funds within the last five years.

5) *One Application Per Qualifying Entity*
   Previous grant cycles did not limit the number of applications that could be submitted by a qualifying entity. In this cycle, eligible applicants may apply individually or as a participant in a collaborative project that involves more than one entity, but they cannot submit multiple applications. One entity must be identified as the Lead Applicant to act on behalf of itself and its participating applicants.

6) *Elimination of Individuals and Private Schools from Eligible Applicants*
Staff has determined that government entities, special districts, public colleges/schools, private businesses, non-profits, and Tribes can most effectively implement beverage container and litter reduction projects. Consistent with other CalRecycle grant programs, staff recommends deleting private schools as eligible applicants. This is based primarily on an opinion from the Attorney General's Office prohibiting the use of public funds to support private schools when the project would advance the educational function (curriculum) of the private school. Arguably, beverage container recycling programs contain an educational function for students and faculty about the benefits of recycling. In addition, few individual applicants applied in the last grant cycle.

Tentative Timeline for BCRG Program (FY 2013/14)

As shown in the table below, staff will post the Notice of Funds Available (NOFA) on CalRecycle's website informing potential applicants of the funding, eligibility requirements, deadlines and other important information. In addition, potential interested entities will be notified through the program's Listserv.

Date	Activity
May 2013	Post the Notice of Funds Available, Application, and related instructions and documents on the website
July 2013	Applications due
July-September 2013	Conduct evaluation/review and score applicants
October/November 2013	Determine funding for eligible applicants
December 2013	Grant awards presented at CalRecycle Public Meeting,
January/February 2014	Grant Agreements distributed and executed: grant term ends June 30, 2016

The timeline for the 2014/15 grant cycle will be similar to the FY 2013/14 timeline above. Please refer to CalRecycle's website http://www.calrecycle.ca.gov/BevContainer/Grants/BevContainer/default.htm for more information.