

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: January 2, 2015

Decision Subject: Eligibility Criteria and Evaluation Process for the Local Government Waste Tire Amnesty Grant Program (Tire Recycling Management Fund, Fiscal Year 2015–16)

Action By: January 20, 2015

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 Fiscal Year (FY) 2015–16. In July 2013, CalRecycle adopted the *Draft Five-Year Plan for the Waste Tire Recycling Management Program (Seventh Edition Covering FYs 2013–14 to 2017–18)* which allocates \$1,800,000 in FY 2015–16 for the Amnesty Grant Program.

Staff proposes to use the same application review and project eligibility process utilized in FY 2013–14, but will use a revised evaluation and ranking criteria as described under *Proposed Changes* and summarized below:

1. Revise the application ranking criteria.
2. Remove the previous ranking criterion regarding whether tires collected will be landfilled or recycled.
3. Establish a tie breaking procedure.

Recommendation: Staff recommends approval of the proposed eligibility criteria and evaluation process for the Amnesty Grant Program for FY 2015–16, as described 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 and evaluation process for the Amnesty Grant Program for FY 2015–16.

Dated: 1/27/15

Michelle Martin for Howard Levenson
Howard Levenson
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 July 2013, CalRecycle adopted the seventh edition of the Five-Year Plan, which allocates \$1,800,000 in FY 2015–16 for the Amnesty Grant Program.

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 collection events in convenient locations for 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	40	\$1,240,311
2009-10	43	\$1,320,772
2010-11	43	\$1,368,441
2011-12	0	*
2012-13	0	**
2013-14	52	\$2,034,136
Totals	302	\$ 9,483,342

* 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 proposes to conduct the FY 2015–16 grant cycle using the same application review and evaluation process applied in past cycles, except as noted below under *Proposed Changes*. In addition, Staff proposes to use a new ranking criteria.

Part of this new ranking encourages local jurisdictions to use the Local Conservation Corps (LCCs). LCCs may assist local jurisdictions with tire cleanup and amnesty grant events because leveraging these resources could potentially enable more jurisdictions to receive grants for this purpose. The FY 2014–15 Governor's Budget allocated \$2.5 million to the LCCs from the tire fund and \$5 million in subsequent FYs. The *Proposed Changes* section below describes this detail.

Applicants may apply for up to \$40,000 for a single jurisdiction or up to \$100,000 for a regional application. If this FY 2015-16 Amnesty Grant cycle is oversubscribed, and there are remaining unfunded eligible applicants, CalRecycle may consider awarding these FY 2015-16 unfunded applicants with additional funding, such as reallocated funds, should funding become available.

Staff will conduct an initial review of all applications to determine completeness. Complete applications will be evaluated to confirm applicant and project eligibility and determine the recommended grant award amount.

Proposed Changes

1) *Revise the application ranking criteria.*

Staff recommend revising the ranking order into three ranks, thereby changing the order in which applications are funded.

Rank One – Applicants that meet all of the following criteria will be Rank One and considered for funding first:

- Provide documentation showing coordination with a Local Conservation Corps (LCC),
and
- Total program cost is \$5.00 or less per tire.

This change to the ranking criteria will encourage applicants to coordinate with the Local Conservation Corps and leverage their funding. The following activities are examples of how an applicant could coordinate with the LCCs: assist with planning or running an amnesty event, create public education/advertising materials, and tire hauling. Costs covered by an LCC should be shown on the Budget as a separate column as “LCC” and will not be included in the cost per tire calculation.

Rank Two – Applicants that meet all of the following criteria will be Rank Two and considered for funding after those applications in Rank One:

- Applicant did not receive a grant award for Fiscal Year 2013–14 (TA1 and TA2) cycle,
and
- Applicant is a city with less than 20,000 residents, a county with less than 50,000 residents, a special district or a Qualifying Indian Tribe, *and*
- Applicant’s total program cost is \$7.00 or less per tire.

This change will provide resources to applicants who typically have higher transportation costs and are unable to qualify for funding at a cost of \$5.00 or less per tire.

Rank Three – Applicants not meeting the requirements for Rank One or Rank Two that have a total program cost of \$5.00 per tire or less, will be Rank Three and considered for funding after Ranks One and Two.

2) *Remove the previous ranking criterion regarding whether tires collected will be landfilled or recycled.*

CalRecycle still encourages Applicants to recycle the tires collected, however, the Applicants’ specification as to whether tires collected will be landfilled or recycled will no longer be a

factor in ranking. The end use of waste tires is typically not in the Grantee's control and is based on market conditions, making the criterion a poor factor for ranking.

3) *Establish a tie breaking procedure.*

In the case of a tie, the following tie breaker criteria will be used:

- Tie Breaking Criteria 1 - Applicant did not receive a Local Government Waste Tire Amnesty Grant for FY 2013–14 (TA1 or TA2)
- Tie Breaking Criteria 2 - Applicant did not receive amnesty grant funds for FY 2010–11 (TCA8)

Tentative Timeline for FY 2015–16

As shown in the table below, 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. Notices will also be distributed through CalRecycle's Local Assistance and Market Development staff to inform their local jurisdictions, the Grants Management System database, applicable listservs, outreach presentations, and newsletters.

Tentative Dates	Activity
January 2015	Post Notice of Funds Available, application, and related instructions and documents on the website
January 2015	Question and Answer period - due date approximately three weeks after the release of the application
March 2015	Applications due
March/April 2015	Conduct application evaluation/review process; determine funding for eligible applicants
April 2015	Secondary due date for Resolution
June 2015	Grant awards presented at CalRecycle's Public Meeting
July 2015	Grant Agreements distributed and executed
June 30, 2017	Grant term ends