REQUEST FOR APPROVAL

To:	Caroll Mortensen Director, Department of Resources, Recycling, and Recovery
From:	Howard Levenson Deputy Director, Materials Management and Local Assistance Division
Request Date:	November 28, 2012
Decision Subject:	Approval of the California Used Oil Recycling Fund Three Year Spending Plan (FY 12/13 – FY 14/15)
Action By:	December 11, 2012

Summary of Request:

This is a request to approve the three year spending plan for the California Used Oil Recycling Fund for fiscal years 12/13, 13/14, and 14/15. Staff has developed the attached spending plan in order to pursue a number of used oil efforts including outreach, cleanup, local government grants, and research.

Staff requests approval of the attached California Used Oil Recycling Fund Three Year Spending Plan (FY 13/14 – FY 14/15). Fund condition and expenditures per fiscal year are provided in the table below.

Fund Source	Amount Available	Amount to Fund Item	Amount Remaining	Line Item
Used Oil Fund (FY 12/13)	$5,550,000	$5,550,000	$0	State Operations
Used Oil Fund (FY 13/14)	$7,550,000	$7,550,000	$0	State Operations
Used Oil Fund (FY 14/15)	$7,700,000	$7,700,000	$0	State Operations

Recommendation:

Staff recommends approval of the proposed California Used Oil Recycling Fund Three Year Spending Plan (FY 12/13 – FY 14/15).

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 proposed California Used Oil Recycling Fund Three Year Spending Plan (FY 12/13 – FY 14/15).

Dated: _____

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Caroll Mortensen
Director

Background:

SB 546 (2009) made a number of changes to the California Oil Recycling Enhancement Act (Act). Some of these changes include: testing requirements for used oil leaving the State (Health and Safety Code §25250.29), changes to the incentive payment structure (Public Resources Code §48652), changes to the manufacturers' fee payments (Public Resources Code §48650), a requirement to perform a Used Oil Lifecycle Assessment (LCA) to determine areas for improvement in the used oil management system (Public Resources Code §48651.5(b)), and changes to the expenditure authority for the California Used Oil Recycling Fund (Public Resources Code §48632)..

Several of SB 546 changes have resulted in a larger than usual reserve for, the California Used Oil Recycling Fund. In order to best utilize those funds pursuant to CalRecycle's expenditure authority and legislative direction (Public Resources Code §48653, §48656, §48631 and §48632), CalRecycle has created a three year spending plan based on the legislative intent of the Act (Public Resources Code §48600) that will take into consideration LCA findings, and address much-needed services and support to the local governments of California.

Three-Year Spending Plan:

Expenditure	**FY 12/13**	**FY 13/14**	**FY 14/15**
High-Efficiency Filters/Fleet oil Testing - Utilize an Interagency Agreement in FY 12/13 to research options and develop protocols for use of cart-type high efficiency filters in large fleets as well as oil testing to determine remaining useful life. Implement programs for large fleets in FY 13/14 providing filter carts and oil testing services through contracts.	$250,000	$1,000,000	
Check-Your-Number Campaign – Expand this very successful campaign into additional markets and increase efforts and opportunities for filter recycling through a contract(s).	$5,000,000		
Certified Collection Center Services – Through a contract(s) provide monitoring and education services for Certified Collection Centers (CCCs) for those local jurisdictions that struggle with personnel resources. Also to solicit new CCCs, particularly in jurisdictions that currently have none.	$300,000		

Community College/Tech College Program – Create and help implement a program, via a contract, in community colleges and technical colleges with auto service programs to instruct students on proper oil and used oil filter handling and management protocols, including curricula on extended oil and filter change intervals.		$250,000	
State-wide outreach campaign – Create new outreach materials to populate a digital library of outreach media (billboards, posters, flyers, etc.) that would be available to cities and counties at no cost. The materials could be easily customized to the needs of each jurisdiction and provide a more consistent message throughout the state. Contracts would be used to accomplish both phases of this project.		$1,000,000	$500,000
Local Jurisdiction Competitive Grants – Details to be determined. Possible areas of focus include permanent facilities, marinas, filter collection, and agricultural/rural needs. Details for focus of the grant program will be developed in consultation with local jurisdiction representatives.		$5,000,000	$5,000,000
Industrial Oil Research – Utilize an Interagency Agreement to perform research, with the benefit of the results of the currently ongoing Used Oil Lifecycle Assessment, to determine ways to increase recovery of industrial oils in FY 13/14. Implement the findings in FY 14/15 through a contract(s).		$150,000	$1,000,000
Curb-side Oil Collection – Utilize an Interagency Agreement to identify the most successful ways to overcome the obstacles to implementing curbside oil collection programs in order to assist local jurisdictions.		$150,000	
State-wide ESL Program – Utilize the outreach materials and messaging developed in the State-wide outreach campaign through a contractor to augment and enhance existing ESL programs and curricula throughout the State.			$300,000

DMV Handbooks/Registration Mailers – Utilize the outreach materials and messaging developed in the State-wide outreach campaign to develop and distribute information via DMV handbooks and/or DMV mailings (possibly registration reminder mailings). Interagency Agreements with the DMV and State publishing will be used to accomplish this.			$250,000
Used Oil Conference – Fund FYs 2014/15 and 2015/16 of the Used Oil/HHW conferences through Sacramento State University.			$250,000
Agricultural/Rural Oil Collection – Develop a program with independent used oil hauling companies to provide services to cities and counties to collect oil and used oil filters from agricultural or rural entities free of charge.			$400,000