

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: November 8, 2012

Decision Subject: Application Process, Applicant Eligibility, Project Eligibility and Evaluation Process for the Household Hazardous Waste Grant Program (Integrated Waste Management Account, FY 2012/13)

Action By: November 20, 2012

Summary of Request:

This Request for Approval proposes the application process, applicant eligibility, project eligibility, and evaluation process for the Household Hazardous Waste (HHW) Grant Program for Fiscal Year (FY) 2012/13.

Based on staff's analysis of past HHW Grant Program cycles and input from stakeholders, staff proposes to make the following changes as described under *Proposed Process and Eligibility* and summarized below:

1. Evaluation process: Applications will no longer be scored. Applications must meet all project requirements to be eligible for consideration. If the cycle is oversubscribed, staff will conduct a random selection process.
2. Focus of grant cycle: The grant proposal must address at least one of the following activities: public education and outreach; temporary/mobile events; minor (non-construction) HHW facility improvements; and/or purchase of personal protection equipment and training.
3. The maximum grant amount will be \$50,000 for individual applicants and \$75,000 for rural areas and/or regional applicants.
4. Applications must be submitted via the new online system.
5. Sharps collection program costs are no longer eligible grant expenses.

Recommendation:

Staff recommends approval of the proposed application process, applicant eligibility, project eligibility, and evaluation process for the HHW Grant Program FY 2012/13, 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 application process, applicant eligibility, project eligibility, and evaluation process for the HHW Grant Program for Fiscal Year 2012/13.

Dated: _____

Howard Levenson
Deputy Director

Background and Analysis:

Statutory Authority

California Public Resource Code (PRC) Section 47200(a) authorizes the Department of Resources Recycling and Recovery (CalRecycle) to award grants to local government agencies for programs to reduce HHW disposal. PRC 47200(a) indicates in part: "...grants to cities, counties, or other local agencies with responsibility for solid waste management, and for local programs to help prevent the disposal of hazardous waste at disposal sites, including, but not limited to, programs to expand or initially implement household hazardous waste programs."

Program Background

The purpose of the HHW Grant Program is to provide funding for local governments to implement safe HHW programs for collection, public education, load checking, source reduction, reuse, and/or recycling of HHW. Eligible applicants for these competitive grants include cities, counties, Joint Power Authorities, and qualifying Indian Tribes with responsibility for solid waste management programs that reduce the amount of HHW disposed of at solid waste landfills. Eligible applicants may submit an individual or regional application.

More than \$66 million in grant funds have been distributed since the HHW Grant Program began in FY 1990/91. Twenty-three grant cycles and 679 HHW grants have been awarded to California entities responsible for solid waste management. The table below summarizes the history of the HHW Grant Program since FY 2007/08. As shown in the table, fewer funds have been available for the last three cycles.

FY	Program Priorities	Total # of Applicants	Total # of Grants Awarded	Total Funding
2011/12	Interagency Agreement with CCC for sharps containers	NA	NA	\$1,500,000
2010/11	HHW collection facility	23	10	\$1,500,000
2009/10	No separate cycle; used FY 2009/10 monies to fund eligible but unfunded cycle 17 applications	7	7	\$1,500,000
2008/09	HHW collection facilities; retail take back; EPR programs	33	18	\$5,000,000
2007/08	HHW collection facility; expand U-Waste	35	22	\$4,500,000

CalRecycle directed the FY 2011/12 HHW funds (\$1,500,000) to an Interagency Agreement with the California Conservation Corps to purchase and distribute sharps containers to local agencies. This contract provides an alternative to traditional grants by assisting local jurisdictions in an area they deemed as high priority, based on a March 2012 survey of jurisdictions.

Proposed Process and Eligibility

Staff will conduct an initial review of all applications to confirm applicant eligibility and application completeness. Staff is proposing changes from past HHW grant cycle selection processes in the following five areas:

1) *Evaluation Process*

Staff proposes using an application review and evaluation process as opposed to the traditional scoring process for this grant cycle. Staff will review all eligible applications to confirm project eligibility and evaluate the application narrative to determine if the proposal meets all requirements in the Application Guidelines and Instructions. The new process will reduce burdensome application preparation and review time, allowing both local jurisdictions and CalRecycle staff to focus on effective project implementation. A random selection process will be conducted if the HHW Grant Program is oversubscribed. This evaluation process and random selection process has been used successfully in CalRecycle's Tire-Derived Product Grant Program since 2005.

2) *Focus of Grant Program*

Grants awarded in this cycle will have a maximum grant term of 20 months, which means that larger construction-oriented projects will not be feasible. The March 2012 survey indicated a high demand for grants under \$50,000 and identified potential focus areas. As a result, staff proposes that the FY 2012/13 HHW grant cycle focus on smaller projects that can be completed within a maximum grant term of 20 months and that are consistent with the four focus areas listed below. All applicants must include one or more of the focus areas in their applications to be eligible for this cycle.

Focus Areas:

1. HHW public education and outreach
2. Set-up and operation of temporary or mobile collection program for one-day or multi-day collection events
3. Minor improvements for an HHW facility (projects that do not require permits or licenses; for example: storage, equipment, signage, painting, paving, reuse area, etc.)
4. Purchase of personal protection equipment and/or 8-hour refresher Hazardous Waste Operations and Emergency Response Standards (HAZWOPER) training

3) *Maximum Grant Amounts*

Staff proposes a maximum grant amount of \$50,000 for individual applicants and \$75,000 for rural areas and/or regional applicants. This is a change from the previous maximum grant amount of \$150,000 for individual applicants and \$300,000 for regional applicants. The reduced grant amounts were due to the limited available funding, the maximum grant term allowable for this cycle, and the strong interest in smaller grants as indicated in the HHW survey.

4) *Online Application*

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

5) *Sharps*

Sharps collection program costs will no longer be an eligible grant expense. For the past three years, the HHW Grant Program allowed sharp-related expenses on a declining basis. In the FY 2010/11 HHW grant cycle, eligible sharps costs were reduced to \$20,000 and CalRecycle announced this would be the last cycle that sharps programs would be eligible for reimbursement of grant funds.

Tentative Timeline for HHW Grant Program (FY 2012/13)

As shown in the table below, staff will post a Notice of Funds Available (NOFA) on CalRecycle's website informing potential applicants of the funding, eligibility requirements, deadlines, and other important information. Notices will also be distributed through the Grants Management System database, HHW Information Exchanges and Yahoo Group listserv, outreach presentations and newsletters. NOFAs will be sent to current and past HHW grant recipients and shared with CalRecycle's Local Assistance and Market Development staff to inform their local jurisdictions.

Date	Activity
November 2012	FY 2012/13 Program criteria presented at CalRecycle Public Meeting
December 2012	Notice of Funds Available, Application, and related instructions and documents posted on the web site
February 2013	Applications Due
February 2013	Evaluation/review process of applications conducted; funding for eligible applicants determined
March 2013	If necessary, Random Selection Process to determine order of applicant funding conducted
May 2013	Grant awards presented at CalRecycle Public Meeting
June 2013	Grant Agreements distributed and executed: grant term ends April 1, 2015

For FY 2013/14, CalRecycle anticipates offering a competitive grant cycle focusing on HHW facility construction and expansion. In contrast to the shortened FY 2012/13 cycle, the longer grant term for the FY 2013/14 cycle (30 months) will facilitate successful completion of construction projects. Staff analysis of HHW collection opportunities statewide indicates that there is still a need for facility construction and expansion. Additionally, in the March 2012 survey, 28% of the respondents indicated this was a need in their jurisdictions. The criteria for FY 2013/14 will be presented in December 2012. If the FY 2013/14 HHW facility grant cycle is undersubscribed, or if a sufficient number of facility projects do not receive a passing score to utilize the entire \$1,500,000 anticipated to be allocated to the HHW Grant Program for FY 2013/14, CalRecycle may consider awarding any unfunded eligible FY 2012/13 applicants with FY 2013/14 funds.