

**REQUEST FOR APPROVAL**

**To:** **Howard Levenson**  
Deputy Director, Materials Management and Local Assistance Division

**From:** **Michelle Martin**  
Acting Branch Chief, Financial Resources Management Branch

**Request Date:** April 2, 2014

**Decision Subject:** Eligibility Criteria, Evaluation Process, and Funding Allocations for the Local Conservation Corps Grant Program (California Beverage Container Recycling Fund, Electronic Waste Recovery and Recycling Account, California Tire Recycling Management Fund, and California Used Oil Recycling Fund, FY 2014/15)

**Action By:** April 15, 2014 (revised June 30, 2014)

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**Summary of Request:**

This request seeks approval of the proposed eligibility criteria, evaluation process, and funding allocations for the Local Conservation Corps (LCC) Grant Program for fiscal year (FY) 2014/15. The total funding amount is \$20,974,000.

Based on staff's analysis of past LCC Grant Program cycles, staff proposes to conduct the FY 2014/15 grant cycle using the same application process applied in FY 2013/14, except as described under *Proposed Evaluation Process and Eligibility* section and summarized below:

- 1) Contingent upon signing of the Governor's Budget, CalRecycle will allocate funds from the following sources:
  - Electronic Waste Recovery and Recycling Account (~~\$4,000,000~~ ~~\$8,000,000~~)
  - California Tire Recycling Management Fund (~~\$2,500,000~~ ~~\$5,000,000~~)
  - California Used Oil Recycling Fund (~~\$1,000,000~~ ~~\$2,000,000~~)
  - California Beverage Container Recycling Fund (BCRF) (~~\$13,474,000~~ ~~\$5,974,000~~)\*  
*\*Authority for this activity from the BCRF fund is continuously appropriated and does not need Budget enactment.*
- 2) The application will include eligible activities and costs related to E-Waste, Waste Tire, Used Oil and Beverage Container Recycling funds, as listed on pages 3 and 4.
- 3) Staff also proposes the revised funding allocation methodology to individual LCCs, as detailed in the table on page 4.

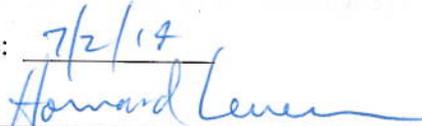
**Recommendation:**

Staff recommends approval of the proposed eligibility criteria, evaluation process, and funding allocations for the LCC Grant Program for FY 2014/15.

**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, evaluation process, and funding allocations for the LCC Grant Program for FY 2014/15.

Date: 7/2/14

  
Howard Levenson  
Deputy Director

## **Background and Analysis:**

### Statutory Authority and Program Background

Pursuant to Public Resources Code section 14581 (a)(3)(A), CalRecycle is authorized to expend \$15,000,000 plus a COLA annually in the form of grants to certified LCCs for beverage container recycling and litter abatement projects.

The purpose of the LCC Grant Program is to provide annual funding to the LCCs, which are certified by the California Conservation Corps (CCC) each year, to provide recycling services and implement litter abatement projects that collect and divert recyclable materials from landfills. LCCs work closely with their local jurisdictions to maximize resources and increase recycling efforts in their communities. Currently there are 14 LCCs that participate in a variety of recycling projects at schools, businesses, community events, large venues and multi-family complexes, thus supporting the state's 75 percent solid waste recycling goal. Although the majority of the recycling programs conducted by the LCCs have focused on beverage container recycling, the LCCs actively engage in many other litter abatement and clean-up activities and have experience in the collection of other recyclable materials.

Historically, this funding has come entirely from the BCRF. Use of this funding was not contingent upon a signed Governor's budget because the BCRF is continuously appropriated. The funding allocation methodology included a base allocation of 75 percent of the total allocation divided equally among the existing LCCs. The remaining 25 percent was distributed competitively (15 percent is based on the LCCs prior year beverage container recycling volume with the remaining 10 percent based on the volume increase from 2 years prior). Newly certified LCCs receive a smaller set base allocation for 3 years before receiving an equal share of the base funding (i.e., \$500,000 for year 1, \$600,000 for year 2, and \$700,000 for year 3).

### Proposed Budget Change

The Governor's Fiscal Year 2014/15 ~~proposed~~ budget (and Public Resources Code section 17001, subject to section 17002) ~~would~~ authorize CalRecycle to diversify funding for the LCCs by expending funds from the California Beverage Container Recycling Fund (~~\$13,474,000~~ ~~\$5,974,000~~), Electronic Waste Recovery and Recycling Account (~~\$4,000,000~~ ~~\$8,000,000~~), California Tire Recycling Management Fund (~~\$2,500,000~~ ~~\$5,000,000~~), and California Used Oil Recycling Fund (~~\$1,000,000~~ ~~\$2,000,000~~) to make payments to the LCCs in order to implement beverage container recycling and litter abatement programs and programs relating to the collection and recovery of used oil and electronic waste and the clean-up and abatement of waste tires.

### Proposed Evaluation Process and Eligibility

Eligible applicants for this grant program are LCCs that are designated by a county to perform litter abatement, recycling, and related activities, and are certified by the CCC as having operated for a minimum of two years and as meeting all other criteria of PRC section 14507.5(a). The CCC conducts annual site visits at each LCC and provides a final certification review report to CalRecycle by March 31<sup>st</sup> of each fiscal year that documents the eligibility of each LCC to receive funding.

Staff will conduct an initial review of all applications to confirm applicant eligibility and application completeness. Each LCC is required to submit a comprehensive budget for each respective funding source which will be reviewed and approved prior to the execution of formal grant agreements which include Terms and Conditions, and Procedures and Requirements.

In accordance with the budget changes in the Governor's proposed budget, staff is proposing changes from past LCC cycles in two areas in order to address the diversified funding sources: 1) eligible activities; and 2) funding allocation methodology:

1) **Identification of Eligible Activities:**

The LCCs will identify activities related to new funding sources. These activities will be identified on the application and also reported during the grant term. CalRecycle staff propose the activities listed below as eligible. Related activities not listed below must be submitted to the appropriate CalRecycle grant manager for prior approval before expenses are incurred.

E-Waste:

- E-waste recycling (if permitted)
- E-waste collection
- Education and outreach
- Provide event labor and staff resources in partnership with local jurisdictions
- Surveying and research

Waste Tire:

- Collection and hauling services (if permitted)
- Clean-up events
- Education and outreach
- Provide event labor and staff resources in partnership with local jurisdictions
- Fleet support for local businesses and of governmental agencies

Used Oil:

- Establishing a Certified Collection Center
- Certified Collection Center signage compliance
- Hosting filter exchange event
- Education and outreach
- Partner with local jurisdictions

Beverage Container Recycling (*activities have remained the same*):

- Operation of recycling center
- Clean-up events
- Education and outreach
- Collection programs at businesses, schools, multi-family complexes, and large venues
- Partnerships with businesses, local jurisdictions or government agencies to provide recycling services

2) **Revised funding allocation methodology:**

The proposed methodology distributes allocations from each funding source equally among 13 LCCs, with a reduced amount of \$600,000 to Southern California Mountains Foundation, which was first certified in 2013.

The proposed funding allocations are as follows: *(Note: entire table was revised and replaced)*

<u>Local Conservation Corps Name</u>	<u>BCRF (COLA)</u>	<u>E-Waste</u>	<u>Waste Tire</u>	<u>Used Oil</u>	<u>Total Allocation All Funding Sources</u>
<u>Civicorps Schools</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Fresno Local Conservation Corps</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Los Angeles Conservation Corps</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Conservation Corps of Long Beach</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Conservation Corps North Bay</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Orange County Conservation Corps</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Sacramento Regional Conservation Corps</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>San Francisco Conservation Corps</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>San Gabriel Valley Conservation Corps *</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>San Jose Conservation Corps</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Sequoia Conservation Corps</u>	<u>\$1,006,819</u>	<u>\$298,893</u>	<u>\$186,811</u>	<u>\$74,729</u>	<u>\$1,567,252</u>
<u>Urban Corps of San Diego County</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>San Joaquin Regional Conservation Corps</u>	<u>\$1,006,811</u>	<u>\$298,890</u>	<u>\$186,806</u>	<u>\$74,722</u>	<u>\$1,567,229</u>
<u>Southern California Mountains Foundation</u>	<u>\$385,449</u>	<u>\$114,427</u>	<u>\$71,517</u>	<u>\$28,607</u>	<u>\$600,000</u>
<b><u>Totals</u></b>	<b><u>\$13,474,000</u></b>	<b><u>\$4,000,000</u></b>	<b><u>\$2,500,000</u></b>	<b><u>\$1,000,000</u></b>	<b><u>\$20,974,000</u></b>

\* This award distribution is contingent upon San Gabriel Conservation Corps meeting all stipulations set forth in the Corrective Action Plan (Amended 20143).

Tentative Timeline for FY 2014/15

As shown in the table below, staff will post the Notice of Funds Available (NOFA) on CalRecycle's website informing LCCs of the funding, eligible projects, deadlines and other important information.

<u>Date</u>	<u>Activity</u>
<u>April 2014</u>	<u>Post the NOFA on the CalRecycle Website</u>
<u>May June 2014</u>	<u>Applications due</u>
<u>June July 2014</u>	<u>Grant awards presented at CalRecycle Public Meeting</u>
<u>July 2014</u>	<u>Grant Agreements distributed and executed: Grant term ends June 30, 2016</u>