

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: September 17, 2013

Decision Subject: Approval of the Revised California Used Oil Recycling Fund Three-Year Spending Plan (FY 2013/14 – FY 2015/16)

Action By: September 20, 2013

Summary of Request:

Staff requests approval of the attached Revised California Used Oil Recycling Fund Three-Year Spending Plan for FYs 2013/14, 2014/15 and 2015/16. In accordance with the California Oil Recycling Enhancement Act, staff developed the attached spending plan in order to pursue a number of used oil efforts including outreach, cleanup, local government grants, and research.

Several of the SB 546 changes have resulted in a larger than usual reserve for the California Used Oil Recycling Fund. Staff proposed a three year spending plan for the Used Oil Recycling Fund in December 2012 which was subsequently approved by the Director. This request modifies and updates that plan.

Major changes include:

- Increases to the competitive Used Oil Grants
- Increases to the Certified Collection Center Services contract and the Curbside Collection contract
- The \$5,000,000 check your number campaign contract proposed for FY 12/13 was replaced by three smaller targeted contracts including an update to the database, development of a tablet app, and target radio ads
- A new contract was added to pursue data related to uncollected used oil
- A new contract was added to track and monitor oil sales

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 Recycling Fund (FY 2013/14)	\$11,395,000	\$11,395,000	\$0	State Operations
Used Oil Recycling Fund (FY 2014/15)	\$11,550,000	\$11,550,000	\$0	State Operations
Used Oil Recycling Fund (FY 2015/16)	\$6,000,000	\$6,000,000	\$0	State Operations

Recommendation:

Staff recommends approval of the proposed Revised California Used Oil Recycling Fund Three-Year Spending Plan (FY 2013/14 – FY 2015/16).

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 Revised California Used Oil Recycling Fund Three-Year Spending Plan (FY 2013/14 – FY 2015/16).

Dated: _____

Caroll Mortensen
Director

Background:

Senate Bill (SB) 546 (Lowenthal, Stats. of 2009, Chapter 353) 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 potential changes to the expenditure authority for the California Used Oil Recycling Fund (Public Resources Code § 48632).

Several of the 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 §§ 48631, 48632, 48653, and 48656), 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 the LCA findings and address much-needed services and support to the local governments of California.

This request modifies the Three-Year Spending Plan adopted in December 2012. The “Certified Collection Center Services” contract was adjusted to provide additional services, the funding level for the curbside collection contract was increased to reflect more realistic needs, additional funding was added to the competitive grants, a new item was added to pursue information regarding uncollected oil, funds were reserved for potential future Lifecycle-related work, and the “Check Your Number Contract” was removed in deference to the Administration’s concern over large public outreach contracts. A new contract was added to pursue data on uncollected used oil and a new contract was added to track and monitor oil sales.

Three-Year Spending Plan:

Expenditure	FY 2013/14	FY 2014/15	FY 2015/16
<p>High-Efficiency Filters/Fleet Oil Testing – Utilize the results and recommendations from an Interagency Agreement executed in FY 2012/13 (\$85,000 to DTSC) to research options and develop protocols for use of cart-type high efficiency filters and oil sensors in large fleets as well as oil testing to determine remaining useful life. Implement programs for large fleets in FY 2013/14 providing filter carts, sensors and oil testing services through contracts.</p>	\$1,000,000		
<p>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.</p>	\$500,000		
<p>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.</p>		\$250,000	
<p>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.</p>	\$1,000,000	\$500,000	
<p>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.</p>	\$7,000,000	\$5,000,000	\$4,000,000

Expenditure	FY 2013/14	FY 2014/15	FY 2015/16
<p>Industrial Oil Research – Utilize an Interagency Agreement or a contract with a private entity 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 2014/15. Implement the findings in FY 2015/16 through a contract(s).</p>		\$150,000	\$1,000,000
<p>Curbside Oil Collection – Utilize an Interagency Agreement or a contract with a private entity to identify the most successful ways to overcome the obstacles to implementing curbside oil collection programs in order to assist local jurisdictions, and to identify what types of jurisdictions are best suited to curbside collection.</p>	\$300,000		
<p>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.</p>		\$300,000	
<p>Used Oil Conference – Fund FYs 2014/15 and 2015/16 of the Used Oil/HHW conferences through Sacramento State University.</p>		\$250,000	
<p>Agricultural/Rural Oil Collection – Develop a program with independent used oil hauling companies to provide oil hauling services to cities and counties to collect oil and used oil filters from agricultural or rural entities free of charge.</p>		\$400,000	
<p>Mini-Used Oil Collection facility Design – Design a fully-functioning compact facility to accept used oil and some forms of Universal Waste from the public. The design should include full costs for equipment, approvals from DTSC, CUPA, Fire Marshall and possession of an engineer's stamp. The final plans will be made available to local jurisdictions.</p>	\$150,000		

Expenditure	FY 2013/14	FY 2014/15	FY 2015/16
Mini-Used Oil Collection Facility Construction – Provide funds for local jurisdictions to construct the mini-used oil collection facilities based on the design created in the contract concept above. Priority goes to areas more than 5 miles from another CCC, 2nd priority to areas between 3-5 miles.		\$2,500,000	\$1,000,000
Update Check Your Number Database – Research updated manufacturer recommended oil change intervals to keep the “Check Your Number” website database current and updated.	\$50,000		
Check Your Number tablet App – Create an application that can be used by mobile devices, such as iPads or android tablets, to access the “Check Your Number” database without the need for an active internet connection. This will allow local jurisdiction representatives to show members of their communities the manufacturer’s recommended oil change intervals for their vehicles while out at mobile education events where internet connections are often not available.	\$20,000		
Target Radio ads for Check Your Number – Using the radio spots developed in a previous contract, target specific radio markets to improve public awareness and familiarity with the “Check Your Number” campaign, website, and resources.	\$125,000		
ORCA/OPPO/GMS Database compatibility – Ensure that the three CalRecycle databases that are primarily responsible for collecting and tracking information regarding the used oil program communicate smoothly with one another and provide the greatest utility to CalRecycle staff as well as external users.	\$250,000		
Uncollected Oil Research – Determine how much uncollected oil is available for collection, what the current fate of that oil is, and how best to influence the generators of that oil to manage it properly.		\$1,000,000	

Expenditure	FY 2013/14	FY 2014/15	FY 2015/16
Oil Sales Tracking and Monitoring – Evaluate the number of manufacturers selling oil in California to help ensure that all responsible parties are paying the required fees.		\$200,000	
Used Oil Lifecycle Assessment (LCA) Projects – Various research projects to support and compliment the used oil LCA completed as required in Senate Bill 546 (Lowenthal, 2009). These projects are not yet defined and this item is essentially a placeholder to ensure sufficient funds to respond to potential legislative direction.	\$1,000,000	\$1,000,000	
Totals	\$11,395,000	\$11,550,000	\$6,000,000