



To: Greenhouse Gas Reduction Fund

From: Yana Garcia, Secretary
California Environmental Protection Agency

Rachel Machi Wagoner, Director
Department of Resources Recycling and Recovery

Date: July 24, 2023

Subject: Expenditure Record for Fiscal Year 2022–23, SB 1383 Local
Assistance Grant Program

This Attestation Memorandum documents that the Department of Resources Recycling and Recovery completed the attached Expenditure Record on July 24, 2023, for the SB 1383 Local Assistance Grant Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

The Attestation Memorandum and Expenditure Record will be submitted to the California Resources Air Board (CARB) for public posting on the CARB website at www.arb.ca.gov/caclimateinvestments. Questions regarding the Attestation Memorandum or Expenditure Record can be directed to Michelle Martin at Michelle.Martin@CalRecycle.ca.gov or (916) 341-6116.

Sincerely,

A handwritten signature in black ink, appearing to be "Yana Garcia", written over a horizontal line.

Yana Garcia
Secretary
California Environmental Protection
Agency

A handwritten signature in blue ink, appearing to be "Rachel Machi Wagoner", written over a horizontal line.

Rachel Machi Wagoner
Director
Department of Resources Recycling
and Recovery

Attachment

Greenhouse Gas Reduction Fund: Expenditure Record

CalRecycle
SB 1383 Local Assistance Grant Program

Authorizing legislation: Section 3970-101-3228 of the Budget Act of 2022, \$180,000,000 to CalRecycle to provide grants to local jurisdictions to assist in the implementation of regulations pursuant to Senate Bill 1383 (Lara, Chapter 395, Statutes of 2016)

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

Agency that will administer funding

Department of Resources Recycling and Recovery (CalRecycle)

Amount of proposed expenditure and appropriation reference

- The total expenditure is \$90,000,000, per Section 3970-101-3228 of the Budget Act of 2022.
 - Approved in a separate Expenditure Record, \$81,000,000 of the Budget allocation was directed to the Organics Grant Program to fund the critical infrastructure needed to process organic waste to support SB 1383 implementation. Any unused funds will be directed back to this cycle for an increased funding amount.
- Allocations to each of the programs are dependent on the number of qualified applications received and CalRecycle’s plans to expend the full allocation.

Estimated amount of expenditures for administering agency administrative costs

- As stated in the Section 3970-101-3228 of the Budget Act of 2022, not more than five percent of the amount appropriated in this item may be used for administrative costs.
- CalRecycle will reduce administrative expenses when feasible and will continue to track the amount of funds expended on CalRecycle staff.

***If applicable,
identify laws or
regulations that
govern how funds
will be used***

- Section 3970-101-3228 of the Budget Act of 2022 provides funding for assistance programs specified in Section 42999 of the Public Resources Code.
- Notwithstanding any other law, \$180 million of the funds appropriated in this item shall be used to provide grants to local jurisdictions to assist in the implementation of regulations adopted by the Department of Resources Recycling and Recovery pursuant to Chapter 395, Statutes of 2016.
 - a) In consultation with stakeholders, the Department of Resources Recycling and Recovery may adopt guidelines to implement this provision, including to determine allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the Department of Resources Recycling and Recovery in implementing this provision shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
 - b) These funds shall not be used for activities unrelated to implementation of regulations adopted by the Department of Resources Recycling and Recovery pursuant to Chapter 395 of the Statutes of 2016. Any unauthorized use of these funds may result in the termination of the grant agreement, repayment of funds or return of all unused portions of the grant to the Department of Resources Recycling and Recovery.
 - c) To receive these funds, a jurisdiction shall submit an application that specifies all implementation needs and include a detailed description of implementation activities for which the funds will be used, including itemized expenditures.
 - d) The Department of Resources Recycling and Recovery shall determine the amount of funding available to each jurisdiction that qualifies.

***If applicable,
identify laws or
regulations that
govern how funds
will be used
(cont.)***

- e) The grant recipient and the Department of Resources Recycling and Recovery shall enter into a written grant agreement that defines the grant term, contains a description of the approved program, and ensures compliance with all applicable laws and regulations.
- f) The grant recipient shall submit a final report to the Department of Resources Recycling and Recovery as specified in the grant agreement. The report shall provide a description of the implementation of the program or programs and provide detailed expenditure information that enables the Department of Resources Recycling and Recovery to determine the specific use of all grant funds.

***Continuation of
existing
Expenditure
Record***

The FY 2022–23 expenditures covered by this Expenditure Record will support a continuing program that will fund the same projects that have been previously funded under an existing Expenditure Record.

CalRecycle Expenditure Record for the SB 1383 Local Assistance Grant Program
(FY 2021–22)

Project type(s) \$90,000,000 of the funds appropriated in this item shall be used to provide grants to local jurisdictions to assist in the implementation of regulations adopted by the Department of Resources Recycling and Recovery pursuant to Chapter 395, Statutes of 2016.

Describe the projects and/or measures that will be eligible for funding

- Eligible projects include:
- Organic materials and edible food collection.
 - Education and outreach on organics recycling to residents, businesses (including edible food donation opportunities), haulers, solid waste facilities, local food banks and other food recovery organizations.
 - Edible Food Recovery (including food donation programs).
 - Capacity Planning – to estimate organic waste disposal in jurisdictions, assess number of mandated food donors and food recovery organizations operating within the community, identify the amount of existing capacity available, and estimate new or expanded capacity that will be needed.
 - Procurement Requirements – develop a plan to procure a quantity of recovered organic waste to meet annual procurement target.
 - Record Keeping – create system to maintain records that demonstrate compliance with SB 1383.
 - Enforcement and Inspection - to ensure organic waste generators comply with requirements, evaluate edible food recovery, CAL Green Building Standards and Waster Efficient Landscape program requirements.
 - Program Evaluation/Gap Analysis – comparison of existing programs with SB 1383 regulations and identification of areas where there are compliance shortfalls.
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Intended recipients

- Eligible Applicants include:
- Cities, counties, and cities and counties as defined in Public Resources Code section 30109.
 - Regional or Joint Powers Authorities.
 - Special districts that provide solid waste collection services.

CalRecycle Expenditure Record for the SB 1383 Local Assistance Grant Program
(FY 2021–22)

***Program structure
and process for
selecting projects
for funding***

- CalRecycle anticipates releasing the 1383 Local Assistance Grant Program application in September 2023 with announcement of awards in February 2024. This is a non-competitive grant program.
 - Selection Process:
 - Applications will be reviewed for completeness and eligibility.
 - Eligible applications will be evaluated CalRecycle staff based on the criteria approved by the CalRecycle Director.
 - Qualifying criteria factors will include the following:
 - Detailed Project Summary
 - Enforcement Ordinance, or similarly enforceable mechanisms
 - Budget
 - Narrative Proposal
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Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

How the expenditure is consistent with the Investment Plan and the Scoping Plan

SB 605 (Lara, Chapter 523, Statutes of 2014) directed CARB to develop a comprehensive SLCP (Short-Lived Climate Pollutant) Reduction Strategy, in coordination with other State agencies and local air quality management and air pollution control districts, to reduce emissions of GHGs. SB 1383 (Lara, Chapter 395, Statutes of 2016) directed CARB to approve and begin implementing the plan by January 1, 2018, and set statewide 2030 emission reduction targets for methane, hydrofluorocarbons, and anthropogenic black carbon. The SLCP Reduction Strategy, approved in March 2017, includes directives for addressing landfill methane emissions via reductions in organic material disposal. SB 1383 establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. The law also establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025. The law grants CalRecycle the regulatory authority required to achieve the organic waste disposal reduction and edible food targets. This grant program will help to minimize GHG emissions by providing funding to jurisdictions to implement programs for reducing/diverting the amount of organic waste, including edible food that would otherwise be landfilled.

Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Describe how expenditures will facilitate the achievement of GHG emission reductions in the State

- Expenditures will be used to support projects to facilitate the reduction of GHG emissions by reducing landfill disposal in California.
 - Projects will establish new or expand organics collection and edible food recovery programs in each jurisdiction.
 - GHG will be reduced as result of less organic waste sent to landfill.
 - Edible food that would otherwise be disposed that is recovered for human consumption shall constitute a reduction of landfill disposal.
- Achieving the statewide targets in 2025 will reduce disposal of organic waste by approximately 20,000,000 tons and will reduce GHG emissions by at least 4,000,000 Metric Tons of CO₂ equivalent (MMTCO₂e) annually by 2030.

Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained

Funds will be used to create or expand organics and edible food collection programs. These programs will result in organic waste disposal being reduced and increased edible food recovery. GHG emission reductions and/or co-benefits are expected to begin to accrue shortly after grant awards are made, materials/supplies purchased, and projects are fully implemented. GHG emission reductions should begin for most projects in calendar year 2024, increase as projects become fully implemented, and then continue at maximum levels for the term of the grant project. GHG emission reductions that result from fully implemented programs will continue into the future since material and edible food recovery continually avoid landfill disposal. One year of waste diversion prevents 14 MMTCO_{2e} of emissions over the lifetime of waste decomposition.

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency

- Food rescue projects will yield economic, environmental, and public health co-benefits.
- Food waste prevention projects involving reduced transport distances for hauling material will result in additional GHG emission reductions and reduced emissions of toxic pollutants and fine particulates.
- Jobs will be created to implement the organics collection, education and enforcement/inspection programs.

How the project will support other objectives of AB 32 and related statutes

Maximizes additional environmental and economic co-benefits for California. SLCPs are more potent greenhouse gases than carbon dioxide and have significant negative impacts on human health and the climate. Diverting organic waste from landfills to compost facilities and anaerobic digestion facilities, along with implementing food recovery programs, will significantly reduce methane emissions from landfills, many of which are located in or near disadvantaged communities. Reducing these emissions will have beneficial impacts on climate and public health and will result in avoided social costs.

Percentage of total funding that will be expended for projects that are located in and benefit priority populations¹ per CARB guidance

The administering agency has established a target for FY 2022–23 funds; a minimum of 25 percent of funds must benefit disadvantaged communities (DACs), 5 percent of funds must benefit low-income communities, and 5 percent of funds must benefit households within a 1/2 mile buffer of disadvantaged and low-income communities.

¹ Priority populations include residents of: (1) census tracts identified as disadvantaged by

California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

Describe the benefits to priority populations per CARB guidance

These expenditures can support projects that collect edible food that would otherwise go to waste and feed people in need, create jobs and assess the expanded or new capacity needed to recover enough food for people to eat.

- CalRecycle aims to fund projects that meet the criteria for providing benefits to priority populations as listed in CARB's Benefit Criteria Table for Jobs Training and Workforce Development and meaningfully address an important community need. Investment in waste diversion projects can provide access to jobs/job training for disadvantaged and/or low-income community residents.
- Projects could have additional benefits to priority populations depending on the project type. Projects may include food rescue which increases food access to those in need. In addition, projects will divert additional waste from landfills located in disadvantaged and/or low-income communities, among other benefits.

Explain strategies the administering agency will use to maximize benefits to disadvantaged communities

CalRecycle provides outreach to increase disadvantaged community participation and accessibility using a variety of approaches, including providing technical and business assistance to all communities during the application process, distributing funding and application information via statewide Listservs, and promoting the program with a Draft Criteria for Public Comment.

CalRecycle Expenditure Record for the SB 1383 Local Assistance Grant Program
(FY 2022–23)

Explain how the administering agency will avoid potential burdens to disadvantaged communities and low-income communities, or, if unknown, explain the process for identifying and avoiding potential substantial burdens

These funds will help with potential environmental burdens, public health benefits, and job growth across the state, including disadvantaged and low-income communities.

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

How the administering agency will track/report progress to make sure projects are implemented per requirements in statute and CARB guidance

Grantees will be required to submit Progress Reports bi-annually and a Final Report at the close of the grant term. CalRecycle grant managers will review reports and expenditures to ensure they are in accordance with CARB and CalRecycle guidelines.

Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion

Grantees with edible food recovery or food waste prevention projects will need to calculate GHG emission reductions using the CARB approved Food Waste Prevention and Rescue Program Quantification Methodology and Waste Diversion and Utilization GHG Emission Reduction Calculator Tool as found on the [CCI Quantification, Benefits, and Reporting Materials website](http://www.arb.ca.gov/cci-quantification-benefits-and-reporting-materials-website) (www.arb.ca.gov/cci-resources).

Grantees will provide Job Training and Workforce Development information using the California Climate Investments 2018 Funding Guidelines Benefit Criteria Table.

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(FY 2022–23)

Type of information that will be collected to document results, consistent with CARB guidance

To determine the job benefits, the agency will compile data from funding recipients that receive an award, on jobs provided, both the quality and quantity, consistent with CARB guidance.

The administering agency will collect data such as project location, planned workshops, and outreach efforts, consistent with CARB guidance. Additionally, if applicable, grantees will provide information on engagement with priority populations in developing actionable plans that address community needs, reduce environmental burdens, and/or improve public health in the community.

How the administering agency will report on program status

CalRecycle will provide bi-annual updates on expenditures, project statuses, and benefits in reports prepared according to CARB's 2018 Funding Guidelines. At a minimum, the reports will include expenditure amounts, project description and locations, quantity of organics diverted or collected, and estimates of jobs created.
