

Request for Approval

To: Michelle Martin
Deputy Director, Division of the Circular Economy

From: Scott Beckner
Branch Chief, Business and Market Development Branch

Request Date: March 30, 2026

Decision Subject: Eligibility Criteria and Evaluation Process for the Tire Incentive Program (Tire Recycling Management Fund, Fiscal Years 2026–27 and 2027–28)

Action By: April 21, 2026

Summary of Request

Staff seeks approval of the proposed eligibility criteria and evaluation process for the Tire Incentive Program (Program) for fiscal years (FY) 2026–27 and 2027–28. Staff proposes to use the same eligibility criteria and evaluation process that was used in FY 2024–25 and 2025–26.

Background and Analysis

Statutory Authority

The Department of Resources Recycling and Recovery (CalRecycle) receives an annual appropriation from the California Tire Recycling Management Fund to administer the California Tire Recycling Act (Senate Bill 937, Vuich, Statutes of 1990, Chapter 35) (Public Resources Code [PRC] sections 42860 et seq.). PRC sections 42872 and 42873 allow for the awarding and funding of grants for activities and applications that result in reduced landfill disposal or stockpiling of waste tires. The Program meets the statutory requirements of PRC sections 42872 and 42873.

The *Five-Year Plan for the Waste Tire Recycling Management Program* (Thirteenth Edition, Covering Fiscal Years 2025–26 to 2029–30) Report to the Legislature allocates \$3,000,000 to the Program for FY 2026–27 and 2027–28.

Program Background

The fundamental goal of the Program is to expand commercial (business) demand for higher value-added tire-derived products (TDPs) by providing financial incentives to eligible manufacturers to competitively price and market their TDPs, thereby increasing sales and market share.

Proposed Process and Eligibility

Staff will review all applications for completeness and eligibility. Complete applications will be evaluated to confirm project eligibility and determine the recommended incentive amount.

The Program will reimburse quarterly via an incentive payment for completed sales (net of returns) of eligible TDPs.

Eligible Applicants

Eligible applicants include:

- Manufacturers that produce an eligible product.
- Waste tire processors that also manufacture an eligible product.
- Manufacturers of devulcanized rubber.
- Rubber compounders.
- Manufacturers that produce calendered rubber sheet products.
- Manufacturers that produce products on a contract basis for other companies, provided they have that other company's written permission to produce an eligible product and receive the incentive.

Start-up businesses or individuals without an otherwise eligible manufacturing business are not eligible.

Eligible Products

Eligible products include, but are not limited to:

- Devulcanized crumb rubber.
- Flooring underlayment.
- Rubberized flooring.
- Conveyer belts.
- Calendered rubber.
- Agricultural harvesting devices.
- Various landscaping and garden products.
- Various building products.
- Various traffic devices (i.e. traffic cones, delineators, spacers, tire stops and barricades).
- Fencing.
- Asphalt products that are not eligible under the Rubberized Pavement Grant Program or any other CalRecycle tire programs. Asphalt products (i.e., crack seal, roofing products, etc.) must contain a minimum of five percent crumb rubber in the binder or flux.
- Paints, sealants, and coatings.
- End-of-life (EOL) material (crumb rubber, nuggets/mulch) being recycled or reused in a variety of eligible products. Source of EOL material must be located in California.
- Americans with Disabilities Act (ADA) leveling and accessibility ramps, etc.

Specifically excluded from this program are:

- Crumb rubber used by itself as an intermediate product (i.e., used as infill for a synthetic turf field).
- Tire-derived aggregate.
- Rubberized payment or rubberized paving products (i.e., chip seal, slurry seal, etc.)
- Rubber nuggets/mulch/bark eligible for the Tire-Derived Product Grant Program.
- Rubberized sidewalks and tree wells eligible for the Tire-Derived Product Grant Program.

- Loose-fill or poured-in-place playgrounds that use truck tires or buffings for the cushion course.
- Poured-in-place playgrounds which use ground, shredded or chunk rubber from California-generated passenger tires (not truck tires or buffings) for the cushion course; or crumb rubber to replace ethylene propylene diene monomer (EPDM) and thermoplastic vulcanizates (TPV) in the wear layer.
- Synthetic turf underlayment (not loose infill).
- Sports/running tracks.
- All weather sports field infill.
- Similar types of products, which have enjoyed significant benefit from the Tire-Derived Product Grant Program and its predecessors.

Product Requirements

All products are subject to the following requirements:

- **All** crumb rubber must be from California-generated waste tires processed in California. This may include crumb rubber from truck tire buffings. Due to fluid market conditions and waste tire imports, CalRecycle considers crumb rubber from a California processor eligible for reimbursement even if a de minimis amount (not more than five (5) percent) of the tires processed during a fiscal year at a facility were from non-California sources. Crumb rubber from tires processed outside California is not eligible.
- All of the crumb rubber used in all products by a grantee during the term of the grant shall be:
 - Originally from an eligible California waste tire processor or
 - Recycled post-consumer and/or post-industrial scrap rubber from which the rubber originated from an eligible California waste tire processor.
- If supply chain-related issues arise, the Grantee must contact the Grant Manager immediately to request a meeting. The Grant Manager will provide guidance as appropriate.

Evaluation Process

Applicants will submit an application using CalRecycle's online Grants Management System. Application information may include, but is not limited to contact and business information, the most recent business Federal tax return and appropriate business and product information. Tax return and other proprietary information appropriately labeled will be treated as a "trade secret" consistent with PRC section 40062. Several products may be included in the application, including products and/or materials produced for other companies (with the appropriate written authorization of the applicable companies). CalRecycle staff will review appropriate information to make a recommendation regarding eligibility and total incentive amount.

Award amounts are subject to a \$25,000 minimum and a \$650,000 maximum. See the table below for reimbursement categories, products and amounts.

Eligible Categories, Products, and Incentive Amounts

Categories	Products	Incentive per Pound
TDP	An existing or new/improved TDP	10 cents for crumb rubber or end-of-life material used in eligible products
Feedstock conversion or devulcanized rubber	An existing or new/improved product currently manufactured with virgin rubber, plastic or other material which will be produced with a minimum of five percent crumb rubber or devulcanized rubber	40 cents for total crumb rubber used or devulcanized rubber sold
Fine (≤ 50) mesh	An existing or new/improved product that will use fine (≤ 50) mesh	50 cents for total crumb rubber used

Staff will analyze applicant’s estimates for reasonableness and will make adjustments when appropriate. To guard against an applicant overestimating product sales, applicants that used less than 50 percent of a previous Program award will be considered only after all other eligible applications have been awarded.

If there are more requests than available funds (i.e., the program is oversubscribed), priority will be provided to applicants seeking a subsequent award for a previously approved product. Other available monies will be allocated in approximately equal amounts for each of the three product categories. Eligible applications will be ranked within each of three product categories, which are: TDPs, feedstock conversion or devulcanized rubber, and fine (≤ 50) mesh (see Table above) according to the greatest amount of crumb rubber projected to be used. If an application has products in more than one category, the amount of crumb rubber for the category with the highest reimbursement rate will be considered for ranking purposes.

Award Amounts

Applicants must request at least the minimum amount of \$25,000. Applicants may request up to a maximum amount of \$650,000.

Tentative Timeline for Fiscal Year 2026–27

Staff will post a Notice of Funds Available on CalRecycle’s website that includes the funding, eligibility requirements, deadlines, and other important information. Notices will be distributed through CalRecycle’s local assistance and market development staff to inform their local jurisdictions, the Grants Management System database, applicable listservs, outreach presentations, and newsletters.

June 2026: Post Notice of Funds Available, application, related instructions and documents on the website

June 2026: Question and Answer Period – due date is approximately three weeks after the release of the application

August 2026: Applications due

September 2026: Conduct application evaluation/review process and determine funding for eligible applicants

October 2026: Grant Awards

November 2026: Distribute and execute Grant Agreements

April 1, 2028: Grant term ends

Please refer to [CalRecycle's website](https://www.calrecycle.ca.gov/Tires/Grants/TIP/), (<https://www.calrecycle.ca.gov/Tires/Grants/TIP/>) for more information.

Recommendation

Staff recommends approval of the proposed eligibility criteria and evaluation process for the Tire Incentive Program for FY 2026–27 and 2027–28.

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 and evaluation process for the Tire Incentive Program for FY 2026–27 and 2027–28.

Michelle
Martin

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4/23/2026

Michelle Martin
Deputy Director

Dated