

Request for Approval

To: **Zoe Heller**
Deputy Director, Division of Circular Economy

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

Request Date: **April 5, 2024**

Decision Subject: Awards for the Workforce Development Grant Program (Fiscal Year 2022–23)

Action By: April 16, 2024

Summary of Request

Staff requests approval of two grant awards in the amount of \$3,885,061 for the competitive Workforce Development Grant Program (Program) for fiscal year (FY) 2023–24.

Funding

The FY 2022–23 Budget Act, as amended by Assembly Bill (AB) 179 (Chapter 249, Statutes of 2022) allocated \$5,000,000 to the Beverage Container Recycling Fund Account for the Program. The remaining funds will revert to the California Beverage Container Recycling Fund.

Table 1. Funding

Fund Source	Amount Available	Amount to Fund Item	Amount Remaining	Line Item
Beverage Container Recycling Fund Account (FY 2022–23)	\$5,000,000	\$3,885,061	\$1,114,939	Local Assistance/Grants

Background and Findings

Statutory Authority

The Department of Resources Recycling and Recovery (CalRecycle) was appropriated \$5 million from the California Beverage Container Recycling Fund to support workforce development from AB179.

Of the amount appropriated in this item, \$5,000,000 is available to award grants, loans, payments or contracts to support workforce development.

Program Background

The goal of the Program is to provide employment and training opportunities for a new workforce to provide California Consumers with convenient opportunities to redeem California

Redemption Value (CRV), using innovative technologies such as Reverse Vending Machines and Bag Drop projects.

Criteria and Process

The Eligibility Criteria and Evaluation Process was discussed at the December 19, 2023 CalRecycle Public meeting and subsequently approved by the Deputy Director. The Notice of Funds Available was placed on the CalRecycle web site on February 13, 2024, with an appropriate notice sent to interested parties.

Applications were due March 5, 2024, with a secondary due date of April 4, 2024 for authorizing documentation submission. CalRecycle received 2 applications requesting \$3,885,061. Staff reviewed the applications in accordance with the approved evaluation criteria. The maximum grant award is \$2,500,000 for a single applicant. Staff proposes to fund the two applicants.

Listed below are the types of projects recommended for funding.

Pink Recycling California, LLC

Amount: \$1,385,061

Summary: Pink Recycling California, LLC will establish a recycling program in California that not only transforms the way consumers participate in California Refund Value (CRV) container recycling using QR code bags and advanced technology but also improves environmental sustainability and promotes socio economic development through continuous training, employment development, and staff hiring. This program commits to enriching the recycling industry by strengthening the workforce through professional development opportunities, including specific certifications and job training, to ensure sustained and equitable growth for all involved, highlighting the importance of education and continuous training as fundamental pillars for the success and sustainability of the program in the long term.

Retail Marketing Services, Inc.

Amount: \$2,500,000

Summary: Retail Marketing Services, Inc. (RMS) will launch a program in partnership with Dealers, local food banks, and other community businesses in select areas of Los Angeles County. RMS will develop a plan to train a workforce of CRV Subject Matter Experts to help educate consumers about new innovative methods of redemption. The business platform will create jobs focused on community engagement, local city governance, website design, marketing, leadership, logistics planning, and technical maintenance of sophisticated recycling equipment.

Recommendation

Staff recommends approval of two grant awards as listed below for \$3,885,061.

Table 2. Recommended Awards

Applicant	Award Amount
Pink Recycling California, LLC	\$1,385,061
Retail Marking Services, Inc.	\$2,500,000
Total Award	\$3,885,061

Deputy Director Action

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby conditionally approve the grant awards for the Workforce Development Grant Program as listed in Table 2. Each proposed grantee’s award is subject to three conditions:

1. The recommended grantee must pay all outstanding debts due to CalRecycle, or bring current any outstanding payments owed to CalRecycle, within 60 days of the date of the award email.
2. The recommended grantee must be authorized to conduct business in the State of California, be registered, and have a current status with the applicable agencies including but not limited to the Secretary of State, the Internal Revenue Services, and the Department of Justice’s Registry of Charitable Trusts within 60 days of the date of the award email.
3. The recommended grantee’s Signature Authority (or where delegation is authorized, his or her Designee) must sign and return the Grant Agreement to CalRecycle. The signed Grant Agreement must be received by CalRecycle within 60 days of the date of the award email.

Signed by Zoe Heller, Deputy Director

April 15, 2024

Zoe Heller
Deputy Director

Dated