

# GRANTS FOR DEVELOPMENT AND IMPLEMENTATION OF MUNICIPAL RECYCLING PROGRAMS FACT SHEET

## 1. The 902 Grant Program:

Grants are authorized under Section 902 of the Municipal Waste Planning, Recycling and Waste Reduction Act (Act 101 of July 1988). All grants are allocated from the Recycling Fund authorized under Act 101. Section 902 grants are available to all municipalities including counties, cities, boroughs, incorporated towns, townships, home rule municipalities, councils of governments, consortiums, Solid Waste Authorities, or similar entities established by two or more municipalities under 53 PA. C.S. Chapter 23 Subchapter A (relating to intergovernmental cooperation). Municipalities are eligible for up to 90% funding of approved program costs. Municipalities designated by the Department of Community and Economic Development as financially distressed are eligible to receive 100% funding of approved program costs.

Special consideration will be given to those applicants identified in Environmental Justice (EJ) Areas. Pennsylvania DEP identifies an EJ Area where 20 percent or more individuals live at or below the federal poverty line, and/or 30 percent or more of the population identify as non-white minority, based on data from the U.S. Census Bureau and the federal guidelines for poverty.

Projects eligible for grant funding are those that divert the following recyclable materials from municipal solid waste: source separated recyclable materials (clear glass, colored glass, aluminum, steel and bimetallic cans, highgrade office paper, newsprint, corrugated paper, plastics and other marketable grades of paper), source separated food scraps and leaf waste.

Municipalities may sponsor recycling projects involving not-for-profit agencies acting on a municipality's behalf to implement projects that benefit the municipality. Private enterprises cannot be funded. These grants are limited to funding for the processing of source separated recyclable materials and leaf/yard waste or the manufacturing of products made from those materials.

The recycling program to be funded may not duplicate or interfere with other operating recycling programs as determined by the Department of Environmental Protection. To ensure this, municipalities may need to advertise their intent to establish collection and/or processing programs.

Municipalities mandated to recycle under Act 101 must have enacted an ordinance that includes, but is not limited to, the following:

- a. a requirement for the separation of at least three materials from municipal solid waste ("MSW") by residents of homes and apartments;
- b. a requirement for the separation of leaf waste (as defined by the Act) from MSW by residents of homes and apartments;
- c. a requirement for the separation of at least high-grade office paper, corrugated paper, aluminum cans and leaf waste from MSW by commercial, municipal and institutional establishments;
- d. a curbside collection system for recyclable materials operating at least once per month;
- e. provisions to ensure compliance with the ordinance; and,
- f. provisions for the recycling of collected materials.

Projects that involve municipalities lacking a mandatory trash collection program, or projects seeking support for a residential recycling program where a corresponding commercial recycling program does not exist, will not be considered for funding. Additionally, mandated municipalities that allow the burning of recyclables including leaf and yard waste will also not be considered for funding. Applicants seeking funds to replace curbside collection containers and/or collection vehicles will need to demonstrate that the new equipment will increase collection efficiencies and tonnage of materials.

In addition, mandated municipalities must conduct a recycling education program that notifies all persons occupying every residential, commercial, municipal and institutional establishment within its borders of the requirements of the ordinance. This must be conducted at least once every six months. **Mandated municipalities that fail to meet the above requirements or that fail to enforce the provisions of their recycling ordinance will not be considered for a recycling grant. Any municipality that has failed to submit its Annual Recycling Report from the previous calendar year will not be considered for a recycling grant. Municipalities that were awarded a grant from the last 902 grant award round will not be eligible for funding this solicitation period.**

## 2. Terms Used in this Fact Sheet:

The definitions provided below are intended to aid the reader in understanding this fact sheet and grant application. They are not intended to substitute for, replace, or modify statutory or regulatory definitions.

*Administrative costs* – Executive, organizational, and clerical costs associated with the general management of an organization rather than with a specific program or project. Under this grant program, postage is considered an administrative cost.

*Date of encumbrance* – The date a grant agreement is signed by the Comptroller's Office when grant funds become available.

*Direct salaries* – Salaries of employees involved in the recycling program or its components.

*In-kind services* – Services that are donated to the project. There are no actual cash outlays for in-kind services. Volunteer and pro-bono services are considered in-kind.

*Match* – The portion of project costs provided by the applicant.

*Source separated recyclable materials* – Materials that are separated from municipal waste at the point of origin for the purpose of recycling, including: clear glass, colored glass, aluminum cans, steel and bimetallic cans, high-grade office paper, newsprint, corrugated paper, other marketable grades of paper, plastics, leaf/yard waste and food scraps.

*Leaf Waste* - leaves, garden residues, shrubbery and tree trimmings, and other vegetative materials.

## 3. The Application Process:

Grant application periods and funding priorities are published in the **Pennsylvania Bulletin**. You may also contact your DEP or County Recycling Coordinator for this information.

Pre-application conferences are **required**. The Department's Regional Planning and Recycling Coordinators (see attached list) should be contacted for application forms and the scheduling of pre-application conferences. Your County Recycling Coordinator should also be able to assist you with completing the application. At a minimum, you should have a draft of your project's proposed expenditures available for the pre-application conference.

All applications submitted in compliance with the application deadline will be evaluated in accordance with a grant application review and evaluation procedure. This procedure is outlined under Section 8 of this fact sheet.

Successful applicants will be notified by email and a grant agreement (contract) developed for signature by the applicant, DEP, the Attorney General and the Comptroller's Office. The grant agreement is considered fully executed after signature by the Comptroller.

## 4. Grant Limitations:

- Grant awards are contingent upon the availability of monies in the Recycling Fund.
- Grant contracts must be fully executed within one year of a grant offering.
- Funds must be spent within two years after full execution of a contract.
- Only one extension of a contract's termination date is permissible and may not exceed three months. A request for a contract extension must be made no later than 90 days prior to the contract termination date.

- A county (or authority representing a county or a combination of the two) may receive no more than 10% of the money available under this grant program in any fiscal year. No municipality (including a county and/or an authority representing that county, or a combination of the two) may request or be awarded more than \$350,000 in this funding period.
- A grant may not be awarded to any county or municipality that has failed to comply with the conditions set forth in previously awarded grants, the grant requirements of Act 101, the regulations of the Act, or the reporting requirements of the Act. A county or municipality that encourages or allows the destruction and/or burning of materials included in its recycling program will not be awarded a grant.
- The funding of equipment available under the Department of General Services' COSTARS program will be limited to the amount identified in the current state contract for that equipment. Contact the COSTARS <https://www.dgs.pa.gov/COSTARS/Pages/default.aspx> program (866) 768-7827 for a list of available equipment.
- The cost of educational materials, equipment or facilities purchased for the recycling program that are also used for purposes other than recycling will be pro-rated to reflect their recycling use.
- Funding for wood chipping equipment will be approved only when the equipment is part of a comprehensive leaf/yard waste collection program and where the material is collected curbside from residents and where the wood chips produced are put to a beneficial use as determined by the Department.
- A municipality must retain sole ownership of equipment or facilities funded by a grant for the useful life of said equipment or facility. Grant funded property may be transferred to another municipality through written approval by the Department.
- If collection or processing vehicles are to be purchased as part of this grant, you should be aware of the restrictions governing such purchases under the Motor Vehicle Procurement Act, Act 40 of 1984.
- If construction costs are part of this grant, you should be aware of the provisions contained in the Prevailing Wage Act, Act 442 of 1961.
- **Equipment and property purchased with funds from this grant and with a purchase price of \$1,000 or greater shall be clearly identified by the grantee, through a sign or lettering permanently affixed to the equipment or property, as being funded by a Department of Environmental Protection Act 101, Section 902 Recycling Grant.**
- Each grantee must provide for an independent performance audit to be completed within six months after all reimbursable work under the grant has been completed. Grant funds cannot be used to complete this requirement.
- The Department may withhold 10% of the grant award until all conditions of the grant agreement are completed and verified.

##### 5. Fundable Costs for Municipal Recycling Program Grants:

- The costs of developing a recycling program, including recycling program design costs, recycling market investigations, development of recycling market commitments, development of recycling program ordinances, development of the recycling public education program, and costs for developing contracts for procuring equipment or services necessary for the operation of the program. The grants may also be used toward the cost of developing a leaf/yard waste collection and composting program. Examples of project development costs include consultant fees, advertising associated with equipment purchases or ordinance reviews, and conference fees.
- Costs associated with educating the public on recycling program requirements, including the development and publication of printed and audio-visual educational materials, advertisements, the development of Internet "Recycling Home Pages," and school or special event programs. No part of

the administrative costs associated with conducting an education program shall be considered as a fundable cost.

- The costs of purchasing or leasing vehicles used to collect recyclables, transport recyclables to processing facilities or markets, and vehicles used in the operation of a materials recovery facility, as well as the cost of reusable containers for collection or storage of recyclable materials. Examples of collection equipment costs include leaf boxes and vacuums, drop-off boxes, and household or office recycling collection containers.
- The costs of acquiring equipment used to process or manufacture recyclable materials into usable products. Examples of processing equipment costs include balers, shredders, windrow turners and grinders. See Section 7 regarding advertising requirements for mechanical processing equipment.
- The costs of acquiring and/or renovating buildings for processing and storage of recovered materials. Examples of building costs include construction, utility installation and repairs to existing structures.
- Improvements to land needed to operate a recycling facility or leaf/yard waste composting facility. Examples of land association costs include fencing, grading, paving and site work in preparation of construction.
- Applicants requesting support for the following (and demonstrating how the request will lead toward greater program self-sufficiency) will receive additional consideration:
  - Municipal recycling programs that develop and implement an organics collection and/or management program.
  - Municipal recycling programs that are currently or will implement the collection and/or the processing of recyclable materials through methods of source-separation, dual-stream or commingled.
  - An incentive based pricing and collection program designed to increase the quantities and types of recyclable materials and reduce the quantity of waste collected.
  - Multi-municipal collection, processing and/or materials marketing programs where capital costs are reduced and/or recycling marketability is enhanced due to intergovernmental cooperation.
  - Development and implementation of collection methods that will provide greater marketability and value to collected recyclable materials.
  - In addition, communities whose existing recycling programs contain the following components will receive additional consideration:
    - Public provided or municipal contracted waste and recycling services.
    - The collection of six (6) or more Act 101 materials.

**Items specifically excluded as eligible for grant funds:**

- Land.
- Postage.
- Salaries and administrative costs associated with the implementation of the recycling program.
- In-kind services and activities not related to the program.
- Travel-related costs.
- Vehicles used to collect solid waste (other than recyclables) from generators.
- Operation and maintenance of projects.
- Any work or equipment funded under previous Department grants.
- Street sweepers.
- Plastic lumber for benches or tables.
- Sales tax.
- Garages (buildings for the storage or maintenance of equipment).

- Computers, related hardware, and other office equipment.
- Billboard advertising.
- Backyard composting containers.
- Public recycling containers for parks and streetscapes.
- Community event containers
- Pick-up trucks.
- Glass crushing equipment (unless specific marketing arrangements have been identified).
- Vehicles equipped with compaction units (except for the sole collections of yard waste, paper fiber and/or single-stream collection where a facility equipped to process such material has been identified).
- Promotional items not containing program specific information (materials collected, collection frequency, material preparation, etc.).
- Awards or incentives.
- Costs associated with the preparation of the grant application.
- Extended warranties

#### **6. Eligible Match for Municipal Recycling Program Grants:**

- Any funds expended on grant eligible costs.
- The lease value of land or existing buildings utilized for project purposes during the life of the grant agreement. Construction costs of new equipment storage facilities may also be considered for match. Justification will be required by the Department.
- The lease value of municipal equipment dedicated to the operation of the recycling program during the life of the grant agreement. Justification will be required by the Department.
- Postage related to a municipality's recycling education program.
- The cost of bio-degradable yard waste collection bags.
- The administrative costs associated with the recycling public education program, including travel costs directly related to the recycling program occurring within the Commonwealth and 300 miles of the agency's official business address unless otherwise approved by the Department. Travel costs are to be in accordance with and are not to exceed maximums prescribed in Department Travel Regulations, as set forth in Management Directive 230.10 of February 15, 2007, as revised.
- In-kind services for which no cash outlay occurs that are directly related to the recycling program.
- Interest paid to financial institutions on eligible expenditures.
- Containers, education and development of the waste collection portion of a "Pay As You Throw" or other incentive-based recycling program.

#### **Items specifically excluded as eligible match toward a program:**

- Direct salaries.
- Vehicles which are used to collect solid waste from generators.
- Operation and maintenance of projects.
- Administrative costs associated with the implementation of the recycling program other than the recycling public education program.
- In-kind services and activities not related to the program.
- Any work or equipment funded under previous Department grants.

#### **7. Public Notice Requirements For Purchase of Mechanical Processing Equipment**

If a municipality proposes to use some or all of recycling grant funds to purchase mechanical processing equipment, it must demonstrate that the equipment is not available from the public or private sector for use

in the program. Before submitting a recycling grant application seeking funding for the purchase of mechanical processing equipment with a retail value of \$200 or greater, a municipality must publish a public notice.

The notice can be in the form of a display advertisement or legal notice. The notice must:

- Include a description in reasonable detail of the equipment the municipality proposes to purchase or cause to be purchased.
- Include a description of the intended uses of the equipment.
- Include a statement that the equipment is proposed to be funded by an Act 101, Section 902 grant.
- State that interested persons may submit comments to the municipality within 30 days of the publication of the notice.
- Be published once a week for at least two consecutive weeks in a newspaper of general circulation in the area where the proposed equipment will be maintained. An additional two-week advertising period may be required. Please consult your DEP Regional Planning and Recycling Coordinator.

The Recycling Grant application must include:

- Proof of compliance with the notification requirements including dated copies of the public notice.
- A description of the responses received to the public notice.
- An explanation of why the municipality has concluded the equipment is not available from the private sector.

## **8. Grant Application Review and Evaluation Procedure:**

All applications submitted to the Department by the announced deadline are reviewed by the appropriate DEP Regional Planning and Recycling Coordinator.

The DEP Regional Coordinator conducts an administrative review to determine that all pages and requirements have been completed by the applicant. Once deemed administratively complete, the DEP Coordinator reviews the application to determine the feasibility of the proposed project; the relation of the proposed project to other existing or proposed projects in the area, and the need for this project in relation to the municipality's, county's and/or Commonwealth's recycling goals, efforts and mandates. Applicants will be notified by their Regional Office of any deficiencies found.

Recommendations for funding are submitted to the DEP Central Office by each Regional Office. DEP Central Office reviews grant recommendations for consistency with funding priorities, confirms eligibility and compares programs across regional boundaries. A final list of recommendations is developed that does not exceed the total of funds budgeted for the grant awards. Approximately six months may be required to complete the application review and approval process. Successful applicants are officially notified of a grant award (offering) by letter.

**9. Grant Contract:**

Included with the grant offering letter will be a copy of the draft grant contract for the project. No grant funds can be released until the grant contract has been fully executed.

**A fully executed grant contract for the project *must* be developed between the applicant and the Department within one year** of the date of the offering letter, otherwise the grant will be returned to the Recycling Fund. A minimum of two months may be needed for processing of the grant contract after it is signed by the applicant and forwarded to the Department.

**10. Disbursement of Funds:**

The applicant will be sent an electronic copy of the fully executed contract along with an electronic copy of the Disbursement Request Form associated with this contract. Requests for disbursement (reimbursement) must be made to the Department in order to receive funds. Disbursement requests are reviewed/approved by the appropriate DEP Regional Coordinator, ***who must verify that items or services claimed for reimbursement have been delivered to the grantee.***

The approved disbursement request is forwarded to DEP Central Office for coding and to ensure that adequate funds are available to cover payment. Generally, within two weeks of receipt by Central Office, the disbursement request is forwarded to the Department's Comptroller's Office for processing, and then to the Department of Treasury for payment. It takes approximately two to six weeks from the date the disbursement request was forwarded to the Comptroller's Office to receive payment. Please allow a total of 12 to 16 weeks for the complete processing of any disbursement request.

**All grant funds covered under the grant contract must be expended within the specified length of the contract.** The termination date of the contract is determined by the length of the contract beginning from the date grant funds are encumbered by the Comptroller. The date of encumbrance will be listed in the grant contract. All grant accounts will be closed by the Department six months after the grant contract terminates. Any remaining funds will be returned to the Recycling Fund.

