Notice of Funds Available for California Carpet Stewardship
Grant Program (Cycle 7B)
Product Development/Testing Grants

January 16, 2026

Cycle 7B Outline

Purpose

Carpet America Recovery Effort (CARE) serves as the Carpet Stewardship Organization for the California Carpet Stewardship Program (CCSP). The purpose of the **Product Development/Testing Grant Program – Cycle 7B** (Program) is to provide funding for activities that will focus on product testing, research and development, and similar market development activities to improve and enhance post-consumer carpet (PCC) recycling and utilization of recycled-content product manufacturing.

The precise focus of each solicitation cycle is subject to adjustment by CARE, consistent with the overall goals of the Program and market dynamics. Cycle 7B seeks proposals from eligible applicants for market development product testing grants to develop new products or applications for products using PCC material generated in California. CARE is particularly interested in proposals seeking to create new or reformulate existing products and applications using carpet backing material (known as post-consumer carpet calcium carbonate PC4), mixed fibers, carpet tiles and other hard-to-recover PCC materials as noted in CARE's 2024 waste characterization study. CARE has allocated up to $100,000 total to award to projects throughout Cycle 7B in 2026. Individual projects may apply for up to $50,000 in Cycle 7B funds. Cycle 7B grant funding will depend on the availability of funds from the California Carpet Stewardship Program. Grantees must achieve project completion within one year of grant contract execution. This program will accept applications on a first-come, first-served basis until further notice.

Eligible Applicants

Eligible applicants may be adjusted for each solicitation release, consistent with the objectives of the funding cycle and goals of CARE's Carpet Stewardship Plan. Eligible applicants for Cycle 7B include:

- Private entities involved in reuse, recycling or secondary manufacturing are eligible to apply. For purposes of this Program, "private entities" are defined as businesses intended to operate at a profit. This definition includes benefit corporations (B-Corp), as defined in Corporations Code section 14601(a). Businesses from any state within the U.S. are eligible to apply, but must be in good standing with all applicable federal, state and local agencies. CARE membership is not required to apply for grant funding. CARE membership is required, however, for any entity that seeks AB 2398 incentives in accordance with CARE's Carpet Stewardship Plan.

- Nonprofit organizations that are tax-exempt under Internal Revenue Code 501(c)(3) may apply to the Program if they can demonstrate active involvement in carpet reuse, recycling or secondary manufacturing in line with the goals of this Program and CARE's Carpet Stewardship Plan. The

organization must be in good standing with all applicable federal, state and local agencies.

Project Requirements (Use of funds):

CARE will offer grants to eligible applicants to research, develop and test new products or reformulate existing products produced using PCC material generated in California. Products and applications using PC4 or focused on fiber agnostic applications and carpet tile recycling/secondary markets will be prioritized.

Applicants should demonstrate how the proposed product testing project will lead to a viable strategy for increasing the quantity of additional California-generated PCC recycled and/or utilized in the manufacturing of Tier 2 recycled products.

- For the purpose of this Program, a Tier 2 "product" is defined as a good or package in a form that requires no further processing or forming before it is offered for sale to an end-user.

- Eligible applicants with operations in California, and projects that will contribute to the creation of new California green jobs, will be prioritized for funding.

- Only projects that use California-generated PCC are eligible for grant funds.

- No grant funds may be used for product testing activities related to energy recovery (CAAF, Kiln or Waste-To-Energy).

- CARE requires that each applicant contribute at least 25 percent in matching funds to the project.

- Projects must obtain all necessary permits, local, state and federal, for their operations and for use of their proposed products and/or applications. Projects that have obtained these permits prior to beginning this application process will be preferred.

- Applicants testing products with potential for long-term market success, recyclability, carpet-to-carpet or carpet-to-pad, and other environmental benefits will be preferred.

- If the grant project represents a partnership between two entities, one applicant must be designated as the primary grantee. A single entity is limited to one individual application per grant category, or one application in partnership with another entity per category.

- If a project will require testing of significant quantities of PCC material, the applicant must also submit a storage management plan to CARE outlining the quantities of materials to be stored, a timeline and quantity threshold at which materials will be diverted via energy recovery, export or other strategies, as well as when disposal would be utilized.
    - The storage management plan must identify the timeline and quantity of PCC testing, to ensure stored material is appropriately managed.
    - The project team must ensure materials are prioritized for best use, consistent with California's waste hierarchy in such case that the applicant's storage capacity is exceeded.

- The storage management plan must identify and clearly define any energy recovery strategy, including the identification of facility outlets, how and when Carpet As Alternative Fuel (CAAF) or Kiln would be utilized vs. Waste-To-Energy (WTE).
- Incineration for the purpose of sending ash to landfill is prohibited.
- **No grant funds may be used to support energy recovery (CAAF, Kiln or Waste-To-Energy) or landfilling.**
- CARE may require a retention of grant funds in connection with each storage management plan until diversion is achieved.

Eligible Projects

Projects may include, but is not limited to:

- Investigating the use of California-generated PCC material to manufacture established products that do not currently use recycled post-consumer carpet material (i.e. feedstock conversion).

- Testing and/or certifying new or reformulated products containing California-generated PCC material.

- Feasibility and/or pilot project studies on potential new uses of California PCC material.

Ineligible Costs

For the purpose of Cycle 7B, grant funds must be utilized directly on product testing activities. The following costs are ineligible for Cycle 7B grant funding:

- Permitting costs

- Public education and outreach

- Salaries deemed non-essential to the research analysis or documentation, etc. Only 5% of the project budget may be allocated for administration

- Travel expenses such as airfare, mileage and hotels not essential to material transport

- Design and engineering costs unrelated to direct product testing activities

- Costs incurred after the end of the Grant Term

- Costs associated with incineration, waste-to-energy, CAAF or landfilling

- Costs related to environmental review of a project under CEQA or NEPA, including the preparation of environmental impact reports

- Purchase of recycled carpet feedstock

- Purchase of buildings or capital assets

- Costs deemed unreasonable by CARE; costs that are unrelated to the grant project

Funding (total allocation, min/max amounts)

Funding for the Cycle 7B grant program is up to $100,000. Maximum grant awards for Cycle 7B will be limited to $50K for each grant awarded under this Program. Cycle 7B grant funding will depend on the availability of funds from the California Carpet Stewardship Program. An independent technical committee will review grant applications.

Timeline

Program applications will be accepted on an ongoing basis and projects must reach completion within one year of grant contract execution. Application process and submission instructions are outlined throughout this notice. Proposals that do not follow application instructions may be considered non-responsive. The remaining key dates outlined below are to be used as reference and may be subject to revision by CARE:

KEY DATES	KEY ACTION
January 20, 2026	**Notice of Funds Available (NOFA) (online form available January 23)**
Ongoing 2026	**Application Due Date**
Ongoing	Evaluation of grant proposals by CARE
Within two months of submission (tentative)	**Anticipated Notice of Award**
Within two months of submission (tentative)	**Anticipated Grant Agreement Executed – Anticipated Term Begins**

Evaluation & Scoring Criteria:

The criteria presented below are based on similar grant solicitations by CalRecycle, as modified by CARE. A technical committee will be formed by CARE at the direction of the Executive Director and the technical committee will review Program applications using the criteria listed below, as a guide. These criteria may be subject to further revision by CARE.

% or Points	Criteria
10%	**Quality of Proposal** – clear project description; well-planned project approach; identification of key milestones; **probability of success** is high; project adequately describes product testing goals, and justifies the use of grant funds to refine, finalize or make significant contributions to new methodologies that will increase the reuse, recycling of CA post-consumer carpet and/or recycled product manufacturing
15%	**Applicant/Project Team Qualifications & Experience** – description of company history; fiscal soundness of company; **track record** in developing new products; key members of the project team, background, experience, capacity and staff resources necessary to ensure successful product testing
15%	**Need** – clearly describes why the proposed product testing is needed (does it fill a market gap?) and how it will benefit the CA Carpet Stewardship Program; demonstrates an industry need; addresses barriers and obstacles to recycling/reuse, increasing the percentage of recycled output from CA PCC and/or remanufacturing post-consumer carpet (yield); identifies **significant market potential** for increasing recycling and/or remanufacturing (Tier 2 product manufacturing) of CA post-consumer carpet; provides sufficient evidence and reliable data to support the need; provides initial or preliminary data that supports a high probability of success in developing or improving new or reformulated products or methodologies
20%	**Proposed Effectiveness and Project Impact** – clearly identifies objectives to achieve goals and measurable outcomes; clear description of data to be collected and how effectiveness will be evaluated; project is innovative; project supports new, improved or enhanced recycling or remanufacturing (Tier 2) of post-consumer carpet in CA; project addresses difficult to recycle portions of the carpet recycling waste stream and **identifies the additional impact by material component** (e.g. nylon, non-nylon, commercial, PC4 backing material, natural fibers, or other PCC material); size of impact is significant; claims are well supported with customer information; proposal includes **economic analysis** such as cost for all inputs including transportation and targeted sales price per unit; **supplier of PCC material** is identified; **technical feasibility** is well defended
10%	***Sustainability***: Proposal identifies the **necessary resources for ongoing operations;** applicant demonstrates commitment to long-term presence in the industry; project improves market stability; applicant is willing to provide a personal guarantee if requested; applicant can identify product consumers ***Conservation***: product testing demonstrates **additional resource conservation** (energy, water, material), source reduction and/or reuse, minimal end-of-lifecycle impacts and/or product recyclability at end of life
5%	**Work Plan** – reasonable, logical and ambitious outline of key product testing goals; **speed to market** is high; project is well planned; project permits have already been secured
10%	**Budget and Cost Effectiveness** – project costs are **reasonable, justified**, and demonstrates **cost-effective** use of funds; line items are clearly defined and justified; matching funds are provided by applicants
15%	**CA Job Creation, CA Business** – Entire project is **located in CA**; project demonstrates how **new CA (green) jobs** may be created; applicant has **specialized business certifications** such as: Certified Green Business; project supports disadvantaged and/or rural communities

100%	TOTAL

Coordination with CalRecycle

Grant funding will depend on the availability of funds from the California Carpet Stewardship Program. CARE's goal is to implement this Program on an annual basis through subsequent grant funding cycles in accordance with CARE's Carpet Stewardship Plan. CalRecycle will review CARE's implementation of the Program. CARE will provide CalRecycle with quarterly data on Program performance, and solicit input from CalRecycle as needed or desired in evaluating the Program.

Questions - Submission

- Questions should be sent to Abbie Beane, CARE Grants Manager, at abeane@carpetrecovery.org. Questions and Answers will be posted to CARE's website on February 6, 2026 if CARE receives questions that could be pertinent to all applicants.

Application – Proposal Requirements

Applications must include the following components and clearly communicate the manner in which their proposed project meets the criteria listed above. Applicants must use the Cycle 7B Product Testing online form, and associated budget template, which should be uploaded into the online form. Trade secrets and any other confidential information must be clearly marked as such and may be subject to regulatory disclosure requirements of CalRecycle or other state entities.

- Executive summary
- Key project contacts (2 required) with phone number and email information
- Project references (2 required) with contact information
- Project Narrative
    - Applicant/Team Qualifications and Experience
    - Project Need
    - Background, Goals and Objectives
    - Project Impact and Effectiveness
    - Applicant Commitment, Environmental Impact
    - Creation of California Jobs, use of California Facilities, benefit to Disadvantaged Communities

- Proposed Budget (template provided)
- Proposed Work Plan
- Notification of any pending or outstanding judgments or enforcement actions against the company or its products, including environmental citations or fines. CARE may withhold the issuance of grant funds until such judgments or orders are resolved, and the resolution of such judgment or order is documented to CARE.
- Attachments (Letters of Commitment/Letters of Support, Testing Quotes, Previous Testing Results, Resumes, Business Certificates, Other Documentation).
- CARE may request a financial statement, such as a balance sheet or profit and loss statement.

Application - Submission

- Applications must be submitted by the deadline. Late submissions will not be considered. Applications should be sent through the Cycle 7B Product Testing online form, located on the CARE

grants webpage. Please email **Abbie Beane, Grants Manager, CARE, abeane@carpetrecovery.org** if you require an alternate submission method.

- Applicants should acknowledge any potential conflicts of interest with any CARE leadership committees, and current or prior employment in the carpet and recycling industries. Technical committee members reviewing grant applications are not eligible for grant funding. Applicants who lobby technical committee members, the CARE Stewardship Plan Committee, the CARE Executive Director and/or the CARE grant manager for funding may be disqualified.

Grant Funding Awards

Program grant awardees will be required to agree to grant agreement terms and conditions, which will include monitoring requirements, such as the submission of progress reports and post-testing data to CARE. Grant project audits and other monitoring may also be required. Grant funding will depend on the availability of funds from the California Carpet Stewardship Program. Grantees may be asked to provide documentation referencing their readiness for work. Grant funds will be disbursed quarterly or by special request on a reimbursement basis only.

DEADLINE FOR SUBMISSIONS: Ongoing through 2026