

# HSP and SWEEP Block Grants

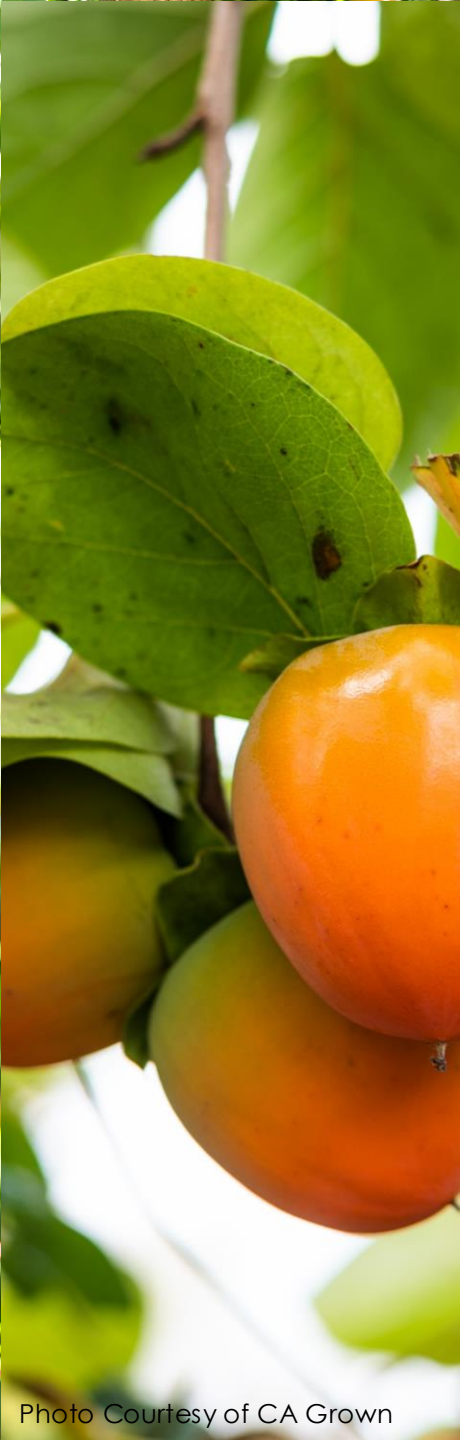
Staff Proposals and Request for EFA SAP Input  
Carolyn Cook, Office of Agricultural Resilience and Sustainability  
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# Climate Bond Funding



- Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (the [Climate Bond](#)), was passed by voters in November 2024.
  - \$65M for soil health practices (HSP)
  - \$40 M for SWEEP
- California Natural Resources Agency (CNRA) has oversight over bond funding; finalizing guidance for agencies
- Waiting official appropriation of funds from the Legislature
- The appropriation may include procedural requirements with impact on administration







# Key Bond Requirements

- Bond language specifies eligibility for grants as local agencies/districts, Tribes, nonprofits and other organizations, while identifying farms as the location for HSP and SWEEP practices.
  - This aligns well with Block Grant Format
- **40%** of total funds shall be allocated to projects that provide direct and meaningful benefits to vulnerable populations or disadvantaged communities.
  - At least **10%** of the funds shall be allocated to projects that provide direct and meaningful benefits to severely disadvantaged communities.
- Funds (for HSP and SWEEP) shall provide direct and meaningful benefits to socially disadvantaged farmers and ranchers.



# Priorities From Bond Language

- Disadvantaged Communities (DAC) and Severely Disadvantaged Communities (SDAC)
  - <https://gis.water.ca.gov/app/dacs/>
- Socially Disadvantaged Farmers and Ranchers (SDFR)
  - As defined by Farmer Equity Act of 2017
- Vulnerable Populations: a subgroup of population within a region or community that faces a disproportionately heightened risk or increased sensitivity to impacts of climate change and that lacks adequate resources to cope with, adapt to, or recover from such impacts.

# Proposed Updates to Block Grant

- Experience and Feedback from first block grants (pilots)
- Consideration of Bond Funding Requirements
- Administrative efficiencies
- Capturing Outcomes



# Maximum Award

**Reduce Maximum Award from \$5M to \$4M**

## Why?

- Disperse the funds widely, with more block grants
- Quite a few BGRs had to run multiple solicitations to award all their on-farm funding
  - 7/14 HSP block grantees – this cuts into the timeframe to complete 3 years of annual practices





# Tribal Set-Aside

**\$4M set-aside for Tribal or Tribal non-profit application(s) for both SWEEP and HSP**

- Will work with CDFA's Tribal Liaison to initiate Tribal engagement related to supporting prescribed indigenous burning practice through HSP.
  - For this solicitation or a future one.
- For both HSP and SWEEP, encourage Tribal participation with this set aside funding for qualifying projects



# HSP On-Farm Maximum

**HSP On-Farm Project Max of \$150k, Single HSP practice limit of \$75k**

## Why?

- Disperse the funds widely, with more on-farm projects
- Keep the program attractive to small- and medium-sized farms
- Encourage multiple-practice projects
  - Without the per practice cap, some awards were \$200k spent on compost





# Pause for Panel Discussion & Questions

8/20/2025

Photo Courtesy of CA Grown



# Two-Phase Application Process

## Hold a 2-Phase Application Process with Feedback

### Why?

- Significant rigor and effort will go into full proposal – a concept proposal can save time/effort
- Feedback can encourage partnerships, strengthen project proposals
- The Climate Bond guidance encourages a 2-phase application process



# Financial Review

**Require submission of documents to allow CDFA's Audit Office to perform a financial review**

## Why?

- Organizational capacity will factor into project success and the level of administrative support and training from OARS
- Financial review will be a Portfolio Balancing factor
- Not a new process for OARS – part of methane reduction programs.





# Development of Project Targets For Tracking Outcomes

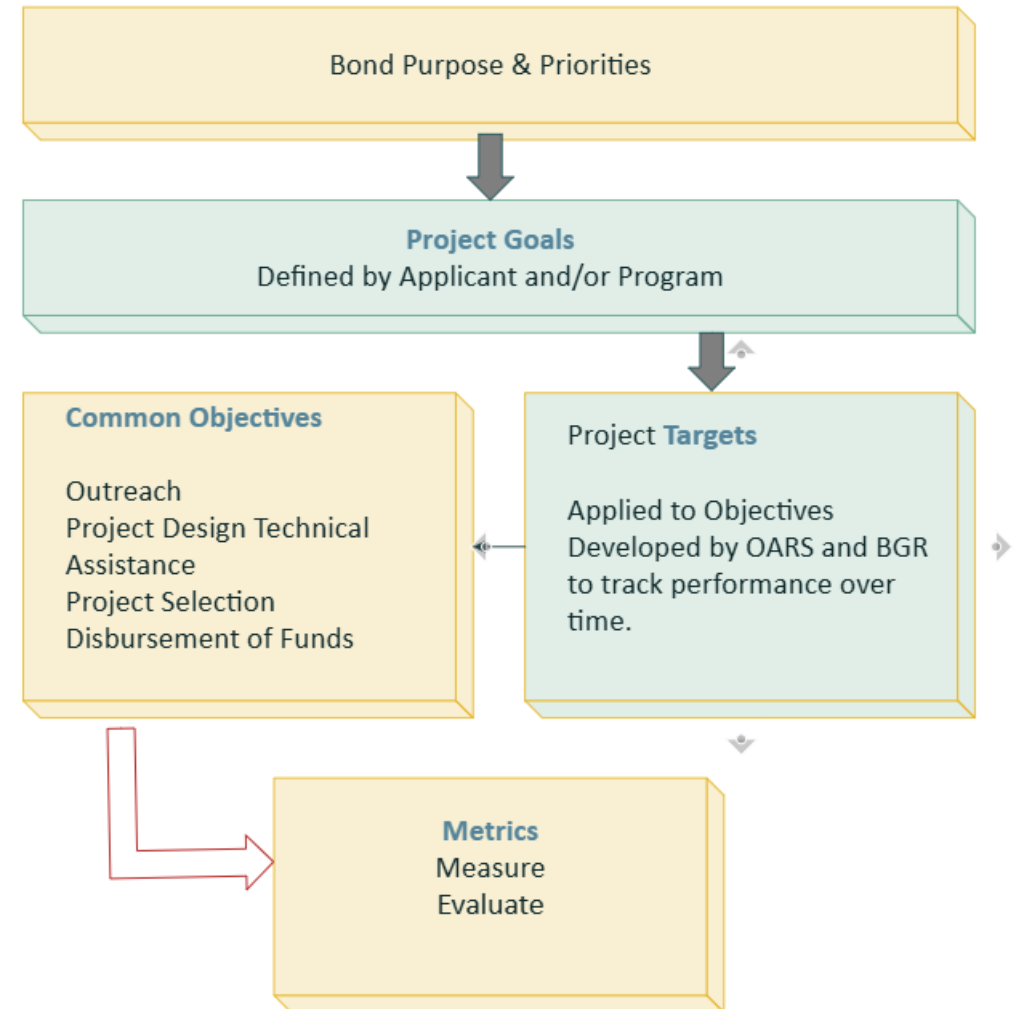
## **Encourage Relevance to Local Needs and Identify Metrics to Track Outcomes/Performance**

Clarify what the applicant wants to accomplish that is relevant to the available funding.

Targets – quantifiable benchmarks demonstrating progress towards goals.

# Conceptual Framework

- Bond Purpose
- Program Priorities & Block Grant Recipient Priorities/Goals
- Common Objectives
- Block Grant Recipient Activities
- Block Grant Recipient Targets & Indicator Metrics



# Examples

BGR Goals/Priorities	BGR Targets
Increase use of healthy soils practices among small farmers.	Spread compost on the fields of 10 farmers who have never used it before, with operation sizes <500 acres.
Establish healthy soils practices that aid the broader ecosystem.	Establish 5 hedgerows with species that support local pollinator bird species.
Overcome social and language barriers to healthy soils practice adoption.	#1: 20% of awardees report not speaking English at home on the CDFA Demographic Survey. #2: 40% of technical assistance hours are dedicated to serving SDFRs
Reduce groundwater extraction in the “X” Basin.	Support 80% of on-farm projects in this critically over-drafted groundwater basin.
Increase surface water access to groundwater dependent farms	Support 5 projects establishing farm connections to surface water resources.







# Pause for Panel Discussion & Questions

What kind of feedback should CDFA provide to  
Concept Proposal applicants to strengthen their  
applications?

8/20/2025

Photo Courtesy of CA Grown

A decorative vertical strip on the left side of the slide featuring a close-up of sliced citrus fruits, including oranges and grapefruits, showing their internal segments and rinds.

# On-Farm Project Selection

## Require a Written Plan for Selection of Projects including Selection Criteria as an early Deliverable

- Require open process for all producers in their service area (crop neutral)
- BGRs will provide (for approval) a detailed plan and selection criteria and that they post it on their own webpage. (dates, process to apply, timeline for announcements, criteria).
- Will encourage that a selection committee is composed of (or includes) individuals that are outside of their project team

# Administration & Technical Assistance Caps

**Propose a total of 20% of award for TA and Admin, with at least 5% for TA. Allow more flexibility in the distribution of administrative and technical assistance funding**

Previously we had distinct caps of 15% funding for admin & 5% for technical assistance – this will allow more to be spent on TA

## Why?

- Recognition that some activities have both elements of TA and administration; it can be hard to bucket precisely. Ex: hosting a workshop
- Encourage BGRs to clearly identify 5% of their award that will support TA (emphasizing serving SDFRs)







# Demonstration & Case Studies

**Require Block Grant Recipients to Host Demonstration Field Days and Develop at least 3 case studies**

## Why?

- The Block grant format provides an opportunity to combine the outreach demonstration projects and expand the TA beyond the on-farm projects
- Demonstration days may include the designation of Mentor farmers or Spotlight farms, who could receive some support through the BG grant term, and would not be limited to one Demonstration Day.
- Case studies (including pictures and quotes) will give us content to share the outcomes through social media, website, etc.



# Pause for Panel Discussion & Questions

While still allowing flexibility to BGRs, is there anything the panel would suggest as a requirement for the on-farm selection process and transparency?

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Photo Courtesy of CA Grown



# Equipment Sharing

## **Remove Shared Equipment as an Allowable Cost in the HSP Block Grant**

- The Climate Bond includes an allocation of \$15M for a new program – Farm Equipment Sharing
- OARS and the Farm Equity Office will collaborate on a program framework over the next year, with opportunities for public input.



# Bulk Purchase and Invoice Reimbursement

For compost, mulch and possibly biochar, allow bulk purchase or invoice-based reimbursement instead of flat payment rate. BGRs will describe the mode of purchase

## Why?

- Expand the number of farmers receiving materials
- Make more efficient use of program funding
- Improve equity – won't require producers to have experience, connections, or equipment





# Pause for Panel Discussion & Questions

8/20/2025

Photo Courtesy of CA Grown

A photograph of a field of pumpkins, likely a pumpkin patch, with rows of pumpkins stretching into the distance under a clear sky.

# Bond Language

“Sixty-five million dollars (\$65,000,000) shall be available for grants to promote practices on farms and ranches that improve soil health, or accelerate atmospheric carbon removal or soil carbon sequestration.”

“Forty million dollars (\$40,000,000) shall be available for the State Water Efficiency and Enhancement Program to promote on farm water use efficiency with a focus on multiple-benefit projects that improve resilience to climate change and save water on California agricultural operations.”