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CLIMATE
BOND

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GOVERNOR GAVIN NEWSOM
STATE OF CALIFORNIA

HSP and SWEEP Block Grants

Application Guidelines and Award Procedures

Scott Weeks and Michael Wolff, Office of Agricultural Resilience and
Sustainability

April 13, and April 20, 2026



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE



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 has been appropriated
- California Natural Resources Agency (CNRA) has oversight over bond



What is the State Water Efficiency and Enhancement Program?

- SWEEP supports California's efforts to **combat climate change and improve water management by promoting more sustainable on-farm agricultural practices**. SWEEP helps farmers reduce greenhouse gas emissions and conserve water through the adoption of advanced, climate-smart irrigation technologies.
- **Direct to Producer (10 rounds of funding)**
 - CDFA has directly funded over 1100 on farm projects
- **2023 Block Grant Pilot**
 - CDFA has funded 9 Block Grants to date, funding over 240 on-farm projects
- SWEEP provides financial assistance to implement **on-farm irrigation improvements** that reduce water use and greenhouse gas emissions. Funding can be used to install or upgrade equipment and systems that improve irrigation efficiency and reduce energy consumption.

How to Participate in SWEEP



SWEEP has an online resource for producers, called [How to Participate in SWEEP](#), describing SWEEP specific strategies and requirements.

Requirements:

- On-farm project funding cap of \$200,000
- Irrigation water management or renewable energy must be less than 40% of the grant request.
- Pump tests required
- Use of the SWEEP Project Assessment Tool



What is the Healthy Soils Program?

- HSP supports California's efforts to improve agricultural resilience. It incentivizes California farmers and ranchers to implement management practices that improve soil health and reduce GHG emissions.
- At the beginning of the program, HSP practice standards were based on NRCS Conservation Practice Standards and their Payment Scenarios, with important exceptions (Compost and WOR).
 - However, moving forward, HSP will be using its own, new HSP Practice Guidelines document.
- Until now, HSP has only supported flat-rate payments per acre.
 - However, starting with this block grant solicitation, bulk purchase or direct invoicing are now either available or required for certain soil carbon amendments (compost, biochar, woodchip mulch, natural materials mulch).
- HSP covers 4 main areas of practices:
 - Soil carbon amendments
 - Annual plantings (cover crops)
 - Permanent plantings
 - Reduced Tillage

History:

- Direct to producer (6 rounds of funding)
 - CDFA has directly funded over 1700 on-farm projects
- 2023 Block Grant Pilot
 - CDFA has funded 14 HSP Block Grants, with the Pilot ending around late 2027, supporting ~640 on-farm projects.

"How to Participate in HSP"

Similar to SWEEP's "How To," available on HSP webpage, oriented to potential on-farm project applicants

- \$75,000 practice cap
- \$150,000 project cap
- Overall Project Requirements
- RePlan Tool Introduction and tips for planning projects
- How to find a local BGR
- Services provided by TAPs/BGRs
- Documentation requirements for practice reimbursement / payment



"HSP Practice Guidelines"

Also posted on HSP webpage.

29 Practices

New practices:

- Re-Saturation of Delta soils for rice cultivation
- Biochar

Discontinued Practice:

- Nutrient management (15% nitrogen reduction).

Split Practice:

- Now *Cropland Conservation Cover* and *Orchard Conservation Cover*

All implementation guidelines are collected in this resource. It will contain:

- Documentation and Procedures to Verify Complete Practices
- Non-overlapping practice guide (to be added)
- NRCS-Recommended species lists by Practice (to be added)

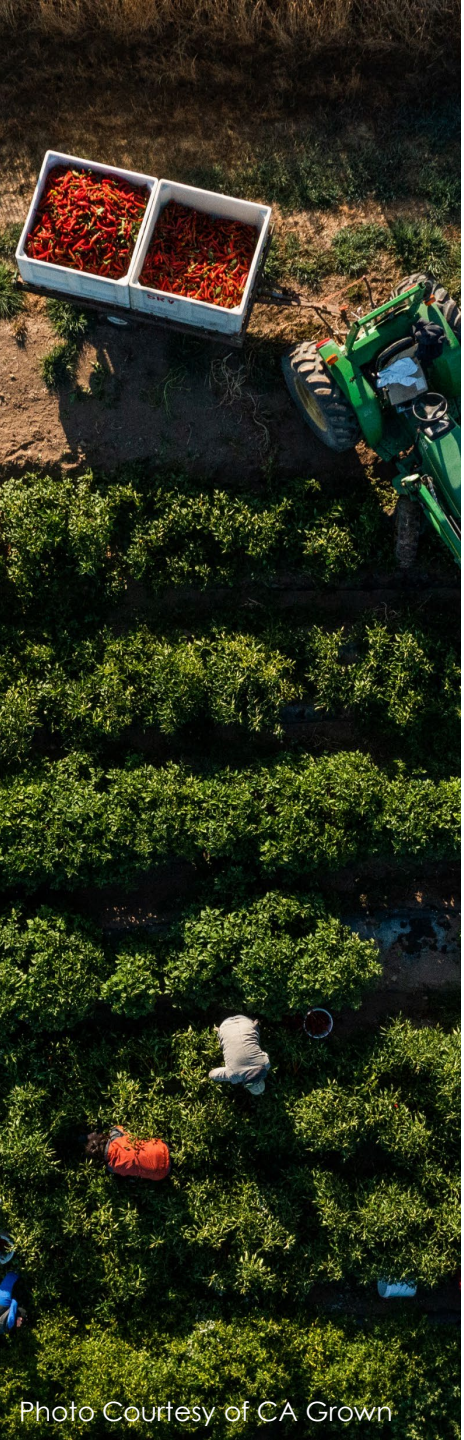
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Application Guidelines

Block Grant



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE



Eligibility

- **Block Grant Recipient - Prop 4 Eligibility**
 - Public agencies, local agencies, 501c(3) Nonprofit, Special Districts, Joint Powers Authority, Public Utilities, Local Publicly Owned Utility, Mutual Water Companies, and California Native American Tribes
- **Technical Assistance Provider - Cannella Act**
 - Resource Conservation Districts (RCDs), University of California Cooperative Extension, California public colleges and universities, Nonprofit organizations, Groundwater Sustainability Agencies, and Irrigation Districts
- **Tribal Set Aside**
 - Integrated with current SWEEP solicitation
 - HSP will have a separate tribal solicitation

Partnerships



- CDFA encourages partnerships. Regions should develop a project team.
- The difference between a subrecipient and a contractor
 - Generally speaking, **subrecipients contribute to a grant in a more open-ended** and flexible way, while **contractors provide specific deliverables and services**.
 - Subrecipients need to submit their own budget as part of the full proposal.
 - An individual contractor cannot account for more than 30% of the project administration budget. There is no limit on subrecipient costs.



Awards and Duration



OARS will offer grant awards of **\$2M to \$4M**

Of each grant award budget:

- At least **80%** must fund on-farm practices
- Up to **20%** will fund Project Administration, the costs to achieve the [Common Objectives](#)
 - However, awardees may access up to an **additional 3%** in Project Administration funds if at least 40% of on-farm projects are awarded to [Socially Disadvantaged Farmers and Ranchers](#). (meaning 77% may go to on-farm practices)

Grant term expected to be 4 years (48 months)

- This allows for on-farm grant terms support 3-year implementation

Common Objectives – Workplan

Phase 1. Outreach and On-Farm Project Selection

1. **Develop a Process for Selecting On-Farm Projects-** In collaboration with OARS, create a fair, transparent and goal-aligned selection process.
2. **Perform Outreach-** Widely advertise the funding opportunity to the service area identified in the Scope of Work, with a focus on reaching growers who will help the project meet identified goals.
3. **Provide Application and Project Design Technical Assistance-** Work closely with producers to gather necessary application information and prepare an eligible project design.
4. **Select On-Farm Projects-** Complete on-farm project selection.

Phase 2. On-Farm Project Implementation and Outcomes

5. **Obtain Grant Beneficiary Commitments -** Develop written agreements with producers that lay out the responsibilities of both the Beneficiary and the BGR in implementing the on-farm project.
6. **Provide Implementation Technical Assistance and Facilitate On-Farm Project Completion-** Maintain technical assistance throughout the on-farm project implementation with a commitment to the best possible outcomes for beneficiaries, including recurring site visits as appropriate.
7. **Disburse Funds to Grant Beneficiaries in a Timely Manner-** Provide advances and/or reimbursements in a timely manner as on-farm projects progress and are verified as complete.
8. **Amplify Project Outcomes-** During the grant term host at least one demonstration field event and develop case studies and media materials to document the outcomes of on-farm projects.

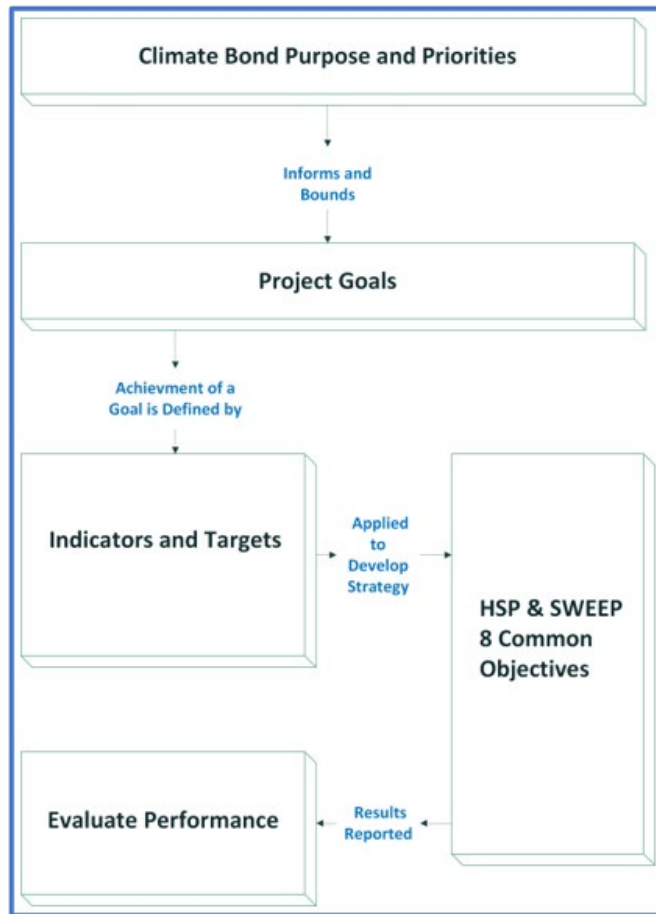
The common objectives that are yellow are considered technical assistance, green is administrative



Objectives and Goals

- State Goals and Applicant-Identified Goals
 - State's Goals
 - **40%** of the funds must provide meaningful and direct benefits to **DACs, SDACs, and vulnerable populations** (including SDFRs and Tribes)
 - At least **10%** must go to **SDAC**, which is part of the 40% total
 - CDFA also requires that **25% TA funding supports SDFR** – Canella Act
 - Applicant's Goals – **Full proposal**
 - The lead applicant will articulate the service areas needs and identify goals to address those needs.
 - The applicant will identify targets and indicators that CDFA will monitor through the grant term.

Framework for Block Grant



- **Goal:** Strategic desired outcomes achieved through the grant
 - **Performance Indicator:** A continuous measurement that indicates progress toward a goal or objective.
 - **Target:** A specific performance indicator value that demonstrates success.
-
- Applicant's Goals
 - The lead applicant will articulate the service areas needs and identify goals to address those needs.
 - The applicant will identify targets and indicators that CDFA will monitor through the grant term.
 - **These goals are identified in the full proposal**

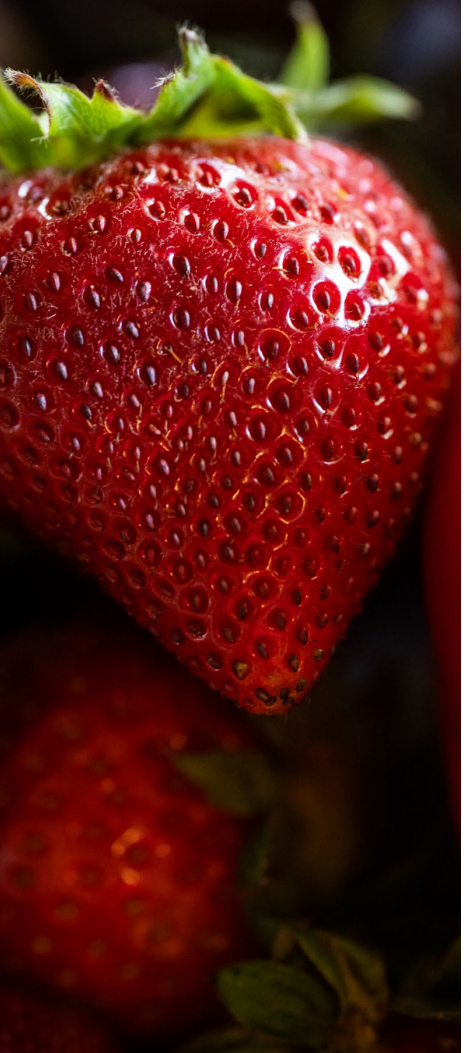
Examples of BGR Lead Goals, Targets, and Indicators

HSP Example:

- **Goal:** Move the region's agricultural food system towards circular economies of bioresources.
 - **Performance Indicator:** On-farm project funding spent on biomass applications to soil (e.g., mulch, compost)
 - **Target:** Utilize 25% of the project funding to support biomass applications to soil.

SWEEP Example:

- **Goal:** Increase the regional groundwater sustainability through increased water use efficiency and diversification of water resources.
 - **Performance Indicator:** Percent of on-farm projects that establish new surface water turnouts at previously groundwater-dependent locations.
 - **Target:** 20% of on-farm projects involve connection of a groundwater-dependent farm to a surface water turnout.





Direct Project Benefits

Who will the project benefit?

Identify the communities or populations that will benefit from the block grant project.

and whether these are DACs, SDACs, or vulnerable populations.



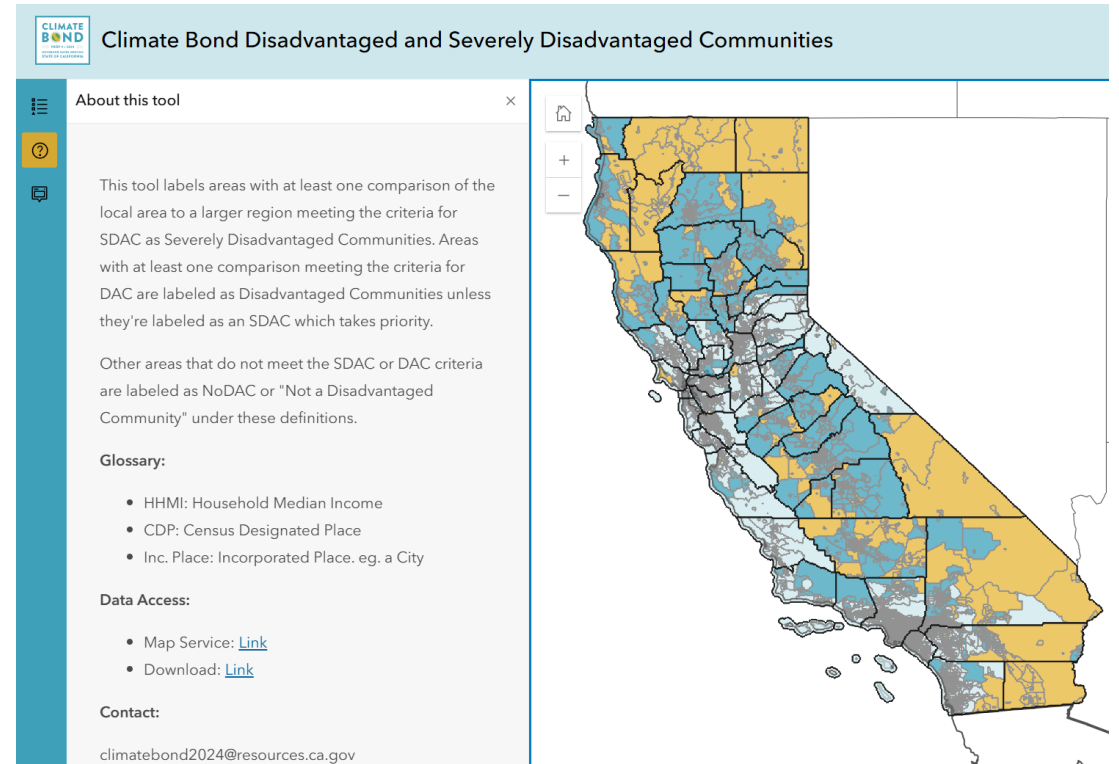
DACs/SDACs

- “Disadvantaged community”:
 - has a median household income of less than 80 percent of the area average
 - **or** less than 80 percent of statewide median household income.
- “Severely disadvantaged community”:
 - Has a median household income of less than 60 percent of the area average
 - **or** less than 60 percent of statewide median household income.

DAC/SDAC tool

- Geographic-
[Climate Bond](#)
[DAC/SDAC map](#)

**These are different definitions than used by CARB for Greenhouse Gas Reduction Fund*





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.”

OARS has identified SDFRs and Tribes as a vulnerable population.

- Furthermore, the Climate Bond identifies SDFRs as the audience for SWEEP and HSP funding.
- **Socially Disadvantaged Farmers and Ranchers** – A farmer or rancher who is a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups include all the following:
 - African Americans, Native Indians, Alaskan Natives, Hispanics, Asian Americans, Native Hawaiians and Pacific Islanders
- **Tribes:** A federally recognized Native American tribe, or a non-federally recognized Native American tribe listed on the California Tribal Consultation List, maintained by the Native American Heritage Commission.



Meaningful Project Benefits

What Benefits will the project provide?

Block grant projects can provide a variety of benefits to communities and individuals. **Examples** include:

- Keeping farmland healthy and productive for the longer term
- Reducing water and energy use and cutting utility costs for producers
- Reducing greenhouse gas emissions and naturally storing carbon to help slow climate change
- Improving air and water quality for nearby communities



Meaningful and Direct Benefits: Required Criteria #1

Are benefits “meaningful and direct” to (S)DAC(s) or vulnerable population(s)?

- Ensures the creation of **direct, tangible, and substantial benefits** to individuals of the (S)DAC or vulnerable population that would not have materialized without its implementation. The benefits are not incidental, indirect, or speculative, and can be articulated.
 - a) Direct:** A causal link between project activities and realized benefits to residents of a (S)DAC or vulnerable population is demonstrated.
 - b) Tangible:** A specific project clearly affects a discrete (S)DAC or vulnerable population.
 - c) Substantial:** The benefits are reasonably proportional to the scale of the project being undertaken. A project where most of the claimed benefits accrue to other parties would be incidental, not substantial, or disproportionately small. In the context of determining whether benefits are reasonably proportional to the scale of the project, a variety of indicators can be used, including dollars, households served, individuals engaged, acres, field activities, etc.



Meaningful and Direct Benefits: Required Criteria #2

- **Protects or enhances** a (S)DAC or vulnerable population's **resources** and quality of life by **building climate resilience**, such as reducing risks to the community or population from climate hazards, protecting resources threatened by climate change (e.g., drinking water supply/quality, urban tree canopy, critical infrastructure, etc.), or creating/enhancing community or population assets (e.g., wetlands, resilience centers, etc.).



Meaningful and Direct Benefits: Required Criteria #3

- **Directly responds to** the (S)DAC's or vulnerable population's **expressed need or desired benefit**, either through direct project input or as part of a larger planning or engagement effort. The project is inherently designed to meet needs that have been identified by the (S)DAC or vulnerable population and that project scoping, development, and implementation integrated (S)DAC or vulnerable population input to the maximum extent feasible.

Meaningful and Direct Benefits: Required Criteria #4

- **Does not result in a long-term degradation or reduction of any (S)DACs' or vulnerable populations' resources identified in (2).** Benefits should not be provided to one community or population at the expense of or burdening another – harms should be avoided and minimized. If the project has the potential to reduce or degrade community resources, then predefined mechanisms or commitments for remediation are in place to avoid these harms.





Application Process – Concept Proposal

Concept Proposal (50 points)

The **lead applicant** will submit their concept proposal online to CDFA.

Categories to be assessed:

- Eligibility
- Statement of Need (15 points/30%)
- Project Proposal (10 points/20%)
- Alignment with Climate Bond (15 points/30%)
- Capacity and partnership (10 points / 20%)



General Information

- Project Title
- Lead Applicant Organization
- Types of Organization
- Subrecipient (Partner) Organization(s)
- Submitter Name
- Submitter Email Address
- Funds Requested

All applicants will also submit evidence of eligibility via email



Statement of Need (30%)

Applicant will make a case for why their service area has a **relevant and significant need** that can be addressed by the funding.

- To the extent possible, identify populations within the service area and describe how they are impacted by the **local resource concerns**.
- Cite data and statistics (e.g., USDA Ag Census, county crop reports, policy briefs or regional information) to demonstrate the need
- Reference any regional plans or strategies (for example, local Climate Action Plan or Groundwater Sustainability Plan) that might illustrate that the issue is regionally important.



“Statement of Need” Considerations

- Statement of Need should be:
- **Tailored to a geographic service area and the target population/community.**
- Relevant to the **climate bond’s purpose** of supporting climate resilience and sustainability on agricultural lands.
- Well researched and documented: Encourage applicants to **cite data, gather demographic info and reference local and state-level policy.**
 - Example of Local policies: Groundwater sustainability plans, local planning efforts and initiatives. If the applicant does a good job of this, it can help demonstrate that there would be community support and benefits.
 - Examples of relevant state policy: Sustainable Groundwater Management Act, Nature-based Climate Solution Targets (AB 1757), Biodiversity 30x30...



Project Proposal (20%)

Applicants will describe a **high-level goal, drawing a connection to the issues outlined in Statement of Need**. In addition to their high-level goal, the applicant will describe a general **outreach/technical assistance strategy** and a **project selection strategy**.

The applicant should keep in mind:

“OARS aims for **wide disbursement** of on-farm project funding. To achieve this, outreach, technical assistance and on-farm project selection processes should reflect values of equity, access, and service. Technical assistance and on-farm project selection strategies that balance the applicant’s high-level goal with **transparency and inclusiveness** for all producers in the service area will be more competitive than projects that serve a narrow subset of producers.”



Alignment with Climate Bond (30%)

Applicants will explain how the proposed project will advance meeting the Bond funding targets.

It's very important here that applicants understand the climate bond terminology and definitions and the 4 criteria related to “**meaningful and direct**”.

Articulate the “**benefit**” of the project to the **community/population**



“Alignment with Climate Bond” Considerations

- Keep in mind the scale – Applicants need to address how **their project as a whole, not the future on-farm projects, is aligned with the Climate Bond.**
- It’s important to understand the 4 criteria for meaningful and direct
- For the full application, the applicant’s “Goal” has something to do with the “benefits” to the community
- Ex: if goal is to improve the groundwater sustainability of the service area, the benefit could be that the community can continue to farm in the area.



Capacity and Partnerships (20%)

The applicant provides details about the project team

OARS strongly encourages partnerships involving multiple organizations to assemble a team that has the necessary expertise and administrative experience, in addition to extending service to a multi-county region that can be realistically served.

- Important notes for developing partnerships:
- During the **full proposal** process, the applicant will identify a “**Grant Project Manager**” – that person must be employed by the Primary Recipient.
- The project team will also identify a “**Technical Assistance Lead**”. The Technical Assistance Lead must be employed by a TAP Eligible organization.
- **Appendix E of the RFP** provides guidance on categorizing partner organizations as **subrecipients or contractors**. At this stage of the application, its most likely that the partners will be subrecipients

Concept Proposal Scoring Rubric

- **Appendix C** shows the **complete concept proposal scoring rubric**
- The Rubric shows the Criteria, the questions that the reviewers will consider and gives the reviewers a scoring guide.
- In the concept proposal phase the **“Statement of Need”** and **“Alignment with the Climate Bond”** are **weighted the heaviest**. OARS felt that these two categories were most important for the Concept Proposal.
- The Full Proposal will emphasize more the capacity, budget and workplan elements.

Criteria	Reviewer Questions	Points	Scoring Rubric
Statement of Need The applicant will address: <ul style="list-style-type: none">• Geographic Service area• Resource Concern or Challenges to be Addressed (specific)• Community (People) to Be Served• The potential opportunity for an award of funds to make measurable improvements	<ol style="list-style-type: none">1. Did the applicant clearly describe HSP/SWEEP-relevant resource and/or social/economic challenges within the service area that impact production and the resilience of the agricultural sector?2. Did the applicant identify any specific communities/people in the service area and explain how the challenge impacts them? Have their needs been expressed as well as the consequences of not addressing these needs?3. Has the applicant explained how financial and technical assistance can make a measurable, positive change that will affect factors such as farmers' livelihoods or the resilience of their agricultural production?	15	<p>11-15: (Exceptional) The applicant <u>clearly</u> describes a relevant local resource problem and the community that needs financial and technical support to address that problem. The applicant identifies the geographic service area and cites <u>relevant</u> facts, statistics, and references that indicate community support or strategy (e.g., local plans). The applicant makes a <u>compelling</u> case that the need has urgency/seriousness and can be addressed by the project.</p> <p>6-10: (Standard) The applicant <u>broadly</u> describes a relevant local resource problem and the community that needs financial and technical support to address the problem. The applicant identifies the geographic service area and cites <u>some</u> facts, statistics, and references that indicate community support or strategy (e.g., local plans). The applicant makes a <u>sufficient</u> case that the need has urgency/seriousness and can be addressed by the project.</p>

Review and Concept Recommendations



Administrative Review

- OARS staff review applications for eligibility

Technical Committee Review

- Eligible projects will be reviewed by a technical review committee. The committee will consist of experts in grant administration, farming, soil health, agricultural water use, and technical assistance.

Portfolio Balancing

- Organizations that are eligible and score highly will be invited back for the full proposal. During this time, the Technical Review Committee and OARS may use portfolio balancing to inform which project are invited to submit a full proposal.
- We will also be doing portfolio balancing for the full proposal

Application Process – Full Proposal

Full Proposal (100 points)

- Goals, performance indicators, and targets (20 points)
 - State goals and initiatives (15 points)
 - Full Qualifications (25 points)
 - Detailed Workplan (20 points)
 - Detailed Budget (20 points)
-
- At this phase, a letter of support from the orgs governing board will be submitted
 - The **technical review committee** will review these projects
 - OARS will again consider **portfolio balancing**
 - OARS will provide **recommendations to the Secretary**



Timeline

- **Science Advisory Panel and Public Comment**
 - Present the items to our Science Advisory Panel – February 10th
 - We went through a public comment process – January 20th – February 18th
- **Concept Proposal (April 6th – May 15th 2026)**
 - Two Webinar Dates (same presentation)
 - Question and Answer Process (two publication dates)
 - Review
- **Full Proposal – June 2026***
 - Call Back
 - Review
 - Recommendation
- **Announce Awards – September 2026***
- **Active Awards – January 2027 onward***
 - Regional Solicitation
 - Award On-Farm Projects
 - Implement On-Farm Projects

* *Subject to change*





Resources to Review

- Application Guidelines
- How to Participate in SWEEP/HSP
- Grant Awards Procedures Manual


- Apply on the specific program's BGP Website

To Apply

SWEEP is currently accepting concept proposals. OARS will screen applications for eligibility and eligible applications will proceed to a technical review committee. OARS will invite competitive applicants to submit a full proposal.

Review the following resources and confirm eligibility before applying:

- [Application Guidelines - Request for Grant Proposals](#) 
- [How to Participate in SWEEP](#) 
- [Grant Awards Procedures Manual](#) 

[Click here to apply](#) 



Technical Assistance Available to Block Grant Applicants

UC ANR will support:

- Technical assistance for potential block grant applicants
- Utilizing the CDFA-UC ANR joint climate smart agriculture program
- Community Education Specialists will provide this support and are distributed around California

CDFA will also support:

- Question & Answer Process
- Two informational webinars
- CDFA will provide 30-minute consultation for *full proposal* applicants



CDFA-led Questions & Answers

Questions Received By	Response Provide By
April 13, 2026	April 17, 2026
April 27, 2026	May 1, 2026

CDFA will host a question-and-answer process and post the responses on our website. We encourage applicants to **first review the Application Guidelines and Grant Awards Procedures Manual** before asking a question.

Submit questions to:

- SWEEP: Cdfa.sweep@cdfa.ca.gov
- HSP: cdfa.HSP_Tech@cdfa.ca.gov

Award Procedures

In Grant Award Procedures (GAP) Manual
and Appendices





Procedural Overview and Updates

- The Grant Award Procedures Manual (GAP) has been restructured.
- Procedures are unified between HSP and SWEEP wherever feasible.
- Building upon the Block Grant Pilot experience, the changes facilitate:
 - Greater BGR Autonomy through Training
 - Transparent delivery on State's and BGR's Goals and Priorities
 - Streamlined Reporting and Records
 - Strengthened Customer Service to On-Farm Beneficiaries



Strengthened Customer Services to Beneficiaries

- BGR required to create webpage housing information that farmers need to apply
- Mandatory Pre-Award Site Visits
- Increased Assistance with verification and other on-farm award management
- Flexible support for Demonstration activities
- Written Agreements between farmers and BGRs
- Permission for use of likeness
- BGRs are expected to pay growers promptly and BGRS will report on their turnaround times.



Indirect Cost Rates – Full Proposal

During the Full Proposal process, the indirect cost rate will be indicated in the budget.

- The de minimis **federal indirect cost rate of 15%**
- The grantee's **federal negotiated indirect cost rate**, pursuant to its negotiated indirect cost rate agreement (**NICRA**) (Supporting Documentation Required)
- A rate **negotiated** by the Primary Applicant/Subrecipient(s) in the last 5 years with **another state agency** (Supporting Documentation Required)
- A **rate proposed by the grantee in the grantee's program application with the administering state agency** if the grantee does not have an existing state rate (Justification Required. The justification should include the requested rate, the cost base for the rate, and the method used for determining the rate. The TRC and OARS will evaluate the request and justification in the context of the proposal's scope and budget).



Highlights from Grant Awards Procedures Manual

- Advance payments to BGRs
 - CDFA offers advance payments to the BGR
 - CDFA encourages awarded block grants to provide and advance to farmers or develop a payment strategy that will not result in delays.
- Field Demo Days and Case Studies
 - Host at least one demonstration day
 - Produce at least three case studies
- Quarterly Reporting and Final Report
 - Submit a Quarterly Reporting Narrative
 - Quarterly On-farm Project Tracker Update
 - Final Report
- Quarterly Invoicing
 - This is a reimbursement grant with an advance payment option

Thank you!

Questions?



The Office of
**Agricultural Resilience
& SUSTAINABILITY**