

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
ENVIRONMENTAL FARMING ACT SCIENCE ADVISORY PANEL**

California Department of Food and Agriculture
Auditorium
1220 N Street
Sacramento, CA 95814
July 18, 2019

MEETING MINUTES

Panel Member in Attendance

Jeff Dlott, PhD. Sure Harvest (Co-Chair and Member)
Don Cameron, Terranova Ranch (Member)
Emily Wimberger, PhD. CalEPA, ARB (Member)
Doug Parker, PhD. UC ANR (Subject Matter Expert)
Thomas Hedt, USDA NRCS (Subject Matter Expert)
Jeff Onsted, PhD, Resources Agency, DOC, (Alternate for Member Bunn)
Scott Couch, CalEPA, State Water Board, (Member)
Judith Redmond, Full Belly Farm (Member)
Vicky Dawley, Tehama RCD (Member)

State Agency Staff and Presenters

Carolyn Cook, MSc, CDFA
Geetika Joshi, PhD, CDFA
Stephanie Jamis, MSc, CDFA
Wesley Franks, CDFA
Amrith Gunasekara, PhD, CDFA
Thea Rittenhouse, CDFA

AGENDA ITEM 1 – Introductions

The meeting was called to order at 1:05 PM by the Co-Chair, Jeff Dlott. Panel members introduced themselves. Present at the meeting were all the members noted above under “Panel Members in Attendance.” A quorum of at least six members was present at the meeting.

AGENDA ITEM 2 – Minutes

Chair Dlott introduced the April 18, 2019 meeting minutes. Member Dawley pointed an error to correct affiliation for Kristin Murphy, a commenter in the previous meeting. Ms. Murphy, with California Association of Resource Conservation Districts (CARCD) was incorrectly noted as being associated with the California Climate and Agriculture Network (CalCAN). Dr. Gunasekara noted the correction would be made. Member Cameron introduced the motion to approve the amended minutes and Member Couch seconded the motion. The motion was moved by all members present.

AGENDA ITEM 3 – State Water Efficiency and Enhancement Program (SWEEP) Update. Ms. Cook provided program updates on State Water Efficiency Enhancement Program (SWEEP). She presented a summary of the 2018 solicitation. She provided a background of Prop 68, the funding source for the current round of SWEEP, which was announced on December 28, 2018 until March 8, 2019. She clarified that SWEEP funding will be awarded in two solicitation rounds. Today's update covered the first around. SWEEP received 343 applications for \$27.6 million in grant requests. SWEEP received 48 applications from Severely Disadvantaged Communities (SDACs) totaling \$4 million in request. 34 technical assistance providers (TAPs) were available for SWEEP; they assisted through different approaches such as workshops and one-on-one assistance. 120 projects were selected for awards, totaling \$10.3 million in awards. She explained the review process and presented data analysis on awarded projects by crop types and distribution across California counties.

Member Redmond asked a clarifying question if the main target for SWEEP was to provide SDAC benefits, and if other priorities were included and tracked. Ms. Cook explained that Prop 68 requirements included a target of 20% of the funds to benefit SDACs. CDFA also tracked the funds awarded to Socially Disadvantaged Farmers and Ranchers. Dr. Gunasekara further clarified that projects were scored and ranked during selection and prioritized based on SDACs status and Socially Disadvantaged Farmer and Rancher status, respectively. Chair Dlott asked if the change in SDAC participation from previous rounds could be determined. Ms. Cook responded that since SDAC requirements were not applicable to previous rounds of funding due to a different funding source, this determination cannot be made. She added that Socially Disadvantaged Farmers and Ranchers were also being tracked for the first time and this comparison would be available in future rounds. Member Cameron asked the main factors that led to disqualification of certain projects. Ms. Cook responded that main reasons for disqualification were incomplete applications, missing supporting information and incorrect attachments provided. Dr. Parker asked if the 20% SDAC target was based on number of funded projects or total funds awarded. Ms. Cook responded that the target was applicable to the total amount of funds awarded. Dr. Parker commented the target seems achievable with second round. He inquired if CDFA had decided the target date for the next round of SWEEP funding. Ms. Cook responded that this date was not yet final but OEFI team hoped to release the next solicitation for SWEEP in November, as post-harvest timeframe is preferred by farmers and ranchers. Member Couch asked about the technical reviewers; Ms. Cook responded that there were 19 irrigation experts across UCANR and CSU systems that served as technical reviewers for SWEEP. Member Couch also commented on the source of the graphic showing equivalence of GHG reductions through SWEEP with reduction in mileage driven in a car. Ms. Cook responded this calculation was based on the USEPA Greenhouse Gas Equivalencies Calculator. Chair Dlott noted that the disqualification percentage for SWEEP applicants was a little over 7%, and asked how it compared to previous rounds. Ms. Cook responded this percentage was lower than in previous rounds as more technical assistance has been made available to applicants in each subsequent round of SWEEP. Member Redmond commented that SWEEP represents a great story for farmer successes and a wide outreach is needed. Ms. Cook agreed with this comment.

AGENDA ITEM 4 – Healthy Soils Program (HSP) Update

Dr. Joshi of CDFA provided an update on the Healthy Soils Program. She noted that CDFA has received funding in the amount of \$28 million from the Greenhouse Gas Reduction Fund (GGRF) for 2019-20. She updated the panel that 194 incentives and 23 demonstration projects were selected for a total of \$12.5 million in awards through 2018 HSP. She highlighted the statewide distribution of the funded projects, and that the level of funding in SDACs was sufficient to meet the 15% target required by SB-5 for expenditure of Prop 68 funds.

Member Couch asked the definition of AB 1550 Priority Populations. Dr. Joshi responded that this term was defined for all programs funded through the GGRF and was based on several criteria, including CalEnviroScreen 3.0 score, 2016 State Income Limits, and within ½ mile of disadvantaged communities as defined through SB 535. Dr. Parker asked a clarifying question if the Prop 68 SDAC targets were different for SWEEP and HSP. Dr. Joshi explained that since the two programs had received funding authority through two different chapters within the SB-5 legislation, the targets were different; 20% for SWEEP and 15% for HSP.

AGENDA ITEM 5 – AB 2377 Climate Smart Agriculture Program Technical Assistance Grants

Ms. Carolyn Cook presented the final draft of the Request for Proposals (RFP) for the new TA program mandated by AB 2377 (2018, Irwin). She provided a background of funding including key legislative requirements. She also provided a timeline for program development that has been followed thus far, including the last EFA-SAP meeting and public comment periods. She explained major comments submitted, CDFA responses to the comments, and, changes to the RFP in response to comments.

Member Dawley commented on indirect rates. She acknowledged the changes made by CDFA staff in responses to comments, including increasing the indirect rate to 20%. She noted that the process of statewide indirect rates across all State agencies was in need of revision, and that rates ranged between 10-15% for most agencies. She noted that the 20% rate now allowed by CDFA is among the highest among State agencies. She further explained that the process of negotiation of federal rates can be done through multiple ways, including based on personnel costs, personnel costs plus first \$25,000 for the first sub-contractor costs, or based on total direct costs. In each case, the negotiated rate can be different. She acknowledged a State agency may not have the capacity to conduct a similarly detailed negotiation process at different rates as the federal government does. She thanked the CDFA for increasing the indirect to the 20%.

Dr. Parker noted that on page 3 of the RFP, grant award amounts were explained using examples of all three programs, HSP, SWEEP and AMMP. He asked if it will be clarified in the RFP that SWEEP will not be included in this year's funding since the program has not received funding this year. Ms. Cook explained that while SWEEP had not been funded and will not be included in this RFP this year, CDFA has 2018-19 contracts with SWEEP TA providers which would be utilized for the second round of SWEEP funding this year. Therefore, applicants can still expect to receive technical assistance when applying for next round of SWEEP.

Member Dawley asked a question to clarify if a justification was needed when submitting an application with 20% indirect rate. Ms. Cook responded that a justification would not be needed.

AGENDA ITEM 6 - Public Comments

Mr. Brian Shobe CalCAN acknowledged the usefulness of listening sessions and CDFA's responsiveness to comments. He asked if there would be an opportunity for flexibility to charge a higher indirect rate if a justification was provided.

Mr. Rex Dufour of National Center for Appropriate Technology commended that they have served as TA providers for Socially Disadvantaged Farmers and Ranchers, providing multi-lingual services including Spanish, Lao and Thai. They noted that the 20% indirect rate was insufficient to cover their costs and may result in a loss of \$10,000-\$20,000. He requested the Panel to consider increasing the indirect rate to 25% or greater.

Ms. Kristin Murphy of CARCD acknowledged the public comments process and CDFA's responsiveness to comments. She commented that at least two months should be allowed between finalizing of contract for the grant award and start of application submission for HSP and AMMP. She commented that 20% indirect rate was generous among State agencies; while it may be low for some organizations but expressed appreciation for the increase.

Ms. Sheryl Landrum of San Diego RCD agreed with comments from Mr. Shobe and Ms. Murphy. She noted that 20% is the rate used at San Diego RCD and their federally approved indirect rate is 47%. She acknowledged that other RCDs may need higher indirect rates, although San Diego RCD committed to an expense of extra 47 cents for each dollar received by CDFA. She thanked CDFA for the increase in indirect rate and encouraged flexibility for those that need a higher rate.

Ms. Valerie Quinto of Sonoma RCD expressed gratitude for the ability to attend remotely. She acknowledged the positive engagement of stakeholders and TAPs in the public process. She acknowledged that the 20% indirect rate was generous among State agencies, however for their organization it presented a challenge. She noted their organization had a federally negotiated indirect rate of 35%. She expressed challenge in participating in a grant program that would not cover their costs and encouraged CDFA to consider a process similar to the federal negotiation process.

Mr. Brian Kolodji of Black Swan LLC acknowledged receiving a SWEEP grant award. He asked the Panel if SWEEP funds would count towards federal tax benefits for carbon reductions.

Panel members discussed the comments further. Member Wimberger asked if there is room in the future rounds of funding to make changes to the indirect rate. Dr. Gunasekara answered that the program will undergo public comment process each time before release of subsequent future rounds, similar to CDFA's other programs, where the Panel may consider such comments and make recommendations to CDFA Secretary.

Chair Dlott inquired of the panel members if indirect costs were included in the case of fundraising by RCDs. Member Dawley responded that raised funds or donations may be tax deductible. She noted that the request to allow a higher indirect rate from organization as understandable, while also acknowledging that CDFA may not have resources currently to conduct negotiations similar to the federal process of working through many different rates. She acknowledged that making such a decision would be challenging for CDFA.

Member Couch inquired if the Panel or CDFA staff has an idea of how many organizations might be impacted due to the lower indirect rates. Member Dawley responded this would be difficult to evaluate since it is not known how many RCDs have received tax dollars.

Chair Dlott request the panel member to please introduce a motion to approve the RFP for the Technical Assistance Program. Member Wimberger introduced the motion to move the RFP without further changes and Member Onsted seconded the motion. All members present approved the motion.

AGENDA ITEM 7 – Next Meeting and Location.

Dr. Gunasekara announced that the next meeting of the Panel would be on October 17, 2019. The location of the meeting is yet to be determined.

Meeting was adjourned at 2: 33 p.m. by Chair Dlott.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read 'Amrith Gunasekara', written over a horizontal line.

Amrith Gunasekara, Ph.D.
Liaison to Science Advisory Panel