

**2017 HEALTHY SOILS PROGRAM (HSP) DEMONSTRATION PROJECTS  
QUESTIONS AND ANSWERS (Q&A)**

**Updated on September 1, 2017**

**GENERAL QUESTIONS**

1. Q. The HSP Demonstration Projects FAAST application asks applicants to enter acres. Does this refer to total farm acres or project acres?  
A. Both. For questions that request information of the agricultural operation, total acreage must be provided. For questions specific to the project (e.g. under Project Logistics), include the total number of project acres, i.e., acres where eligible agricultural management practices will be implemented using grant funds.
  
2. Q. Does the entire grant need to be uploaded to FAAST at once, or can it be saved and worked on periodically?  
A. The entire grant need not be completed in FAAST in a single instance. Applicants can save their information and come back to complete the application at a later time. Applicants will be able to continue working on their application until they click 'submit', or until 5:00 p.m. PDT on September 19, 2017.
  
3. Q. Will CDFA provide examples of a completed application that applicants could use as a guide?  
A. CDFA will not provide an example of a completed application for the HSP. Instead, demonstration of how to use FAAST and GHG emissions calculation methodology are provided in CDFA Application Assistance Workshops as well as Technical Assistance Workshops provided by non-profits, universities and Resource Conservation Districts (RCDs), the schedule of which is available on the HSP Webpage: <https://www.cdfa.ca.gov/oefi/healthsoils/IncentivesProgram.html>.
  
4. Q. Why is the APN required as part of the grant application?  
A. Assessor's Parcel Numbers (APNs) is the primary mechanism by which CDFA tracks the implementation of practices on a farm, such as where exactly projects are implemented and they continue to meet location-related requirements during the grant duration.
  
5. Q. Are soil organic matter results analyzed by labs not listed in the CDFA-recommended list of labs allowed?  
A. Recipients may get their soil samples analyzed by other labs. However, they must ensure that the specific methods used for analysis are documented and provided along with soil organic data, and the methodology is same as the one utilized by any of the CDFA recommended labs.
  
6. Q. If an applicant is successful in receiving HSP funds this year, does this preclude them from applying for funds in future years (assuming the program will be offered next year)?  
A. CDFA does not yet have information regarding future years' funding for the HSP. Eligibility and all other program information will be announced when future rounds of HSP funding are announced.

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7. Q. Does CDFA anticipate releasing another round of HSP funds in 2018 for projects that are under development in 2017 but not ready for this application cycle?  
A. CDFA does not yet have information regarding future years' funding for the HSP, which is funded through the Greenhouse Gas Reduction Fund (GGRF). The budget detailing allocations through the GGRF for 2017-18 has not yet been released.
8. Q. Is there a minimum amount for a grant?  
A. No, there is no minimum amount for a grant award. The maximum amount eligible for award per project is \$250,000 for Type A projects and \$100,000 for Type B projects.
9. Q. Can two separate properties (or APNs) with similar implementation project be included in a single application?  
A. Yes, one application can include multiple fields and/or APNs.
10. Q. For practices that involve establishing new plants, please clarify why "potted plants" are not permitted.  
A. The objective of the HSP is to sequester carbon in soil, reduce GHG emissions and improve soil health. Therefore, all funded practices must be implemented on soil (i.e., agricultural fields) and not in operations that use other plant growth media, potting mixes, and involve crop production from potted plants, e.g., greenhouses.
11. Q. Is the landowner letter of agreement optional or required?  
A. Applicants must demonstrate that they have control of the land which will be part of the HSP project for three years during January 1, 2018 through December 31, 2020. If the land is leased, a letter of agreement from the landowner is required.
12. Q. Is there a limit on the number of applications an organization can submit?  
A. There is no limit on number of applications submitted by an organization. However, no more than two projects with the same lead applicant organization will be awarded.
13. Q. Is a for-profit entity eligible as a lead applicant on a demonstration project?  
A. For-profit entities can apply in collaboration with not-for-profit entities, University Cooperative Extensions, Federal and University Experiment Stations, Resource Conservation Districts (RCDs), Federal and California Recognized Native American Indian Tribes.
14. Q. Are local government agencies (such as a utility agency, a water district or a public agency that owns rangeland) eligible to apply for funding for a demonstration project?  
A. Potential applicants must be not-for-profit entities, University Cooperative Extensions, Federal and University Experiment Stations, Resource Conservation Districts (RCDs), Federal and California Recognized Native American Indian Tribes and farmers and ranches in collaboration with one of the aforementioned entities. Applicants must determine if they can fit into one of these categories prior to submittal of application.

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15. Q. Regarding the census tract finder, what should an applicant do if the finder returns "no matches" for the property's street address?
- A. Please ensure that the full street name entered in the census tract finder is the same as that on a map. For example, '11700 N William Rd', must be entered as '11700 North William Road'.
16. Q. The RGA states that funds can't be used on fields or APNs with existing and ongoing implementation of any agricultural management practices listed under Section 6. Eligible Agricultural Management Practices. Could funds be used on plots in a field that have these practices but not on those specific plots?
- A. Yes, HSP Incentives Program funds can support implementation of a practice on plots where it has not been implemented previously. This must be clearly explained in the Project Logistics and Project Design.
17. Q. For projects with several collaborating entities, will the HSP Demonstration Projects be awarded to the non-profit organization or to the farmer or rancher?
- A. CDFA will enter into a grant agreement with the entity serving as the lead applicant organization. In the Project Implementation Plan and Budget Narrative, the lead applicant must determine how the funds will be distributed among all collaborators and utilized to achieve project objectives.
18. Q. If additional external funding is secured, can a non-eligible practice also be implemented as part of the project, for example, can no-till be combined with a 4R nitrogen project?
- A. Yes, an applicant may include a non-HSP practice in their project. However, the HSP funds will only cover costs for implementation of HSP practice(s). Any additional activities must be funded using matching funds.
19. Q. Please clarify what information is requested in Question 7c in FFAST for Project Type A?
- A. This question requires applicants to provide details of specific methodologies and procedures that are to be used for GHG measurements and/or other measurements of soil health data in order to capture representative data of annual GHG emissions from specific management practice(s) and cropping system.
20. Q. Will a voluntary, longer time commitment to running the project be viewed favorably or ranked higher, if the producer is interested in running the trial for longer than 3 years required by this grant?
- A. Yes, an application with longer time commitment may receive more points during the review process. This should be explained under Project Timeline and Implementation Plan (see pages 19-20 of the RGA).
21. Q. Can two separate proposals (a Type A and Type B) be submitted to for same project?
- A. Since the practice implementation and outreach plan are required for both Type A and B projects, an addition of GHG measurements component will make a project as Type A. Therefore, the same project cannot be both Type A and Type B.

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22. Q. Is there a limit on letters of support?  
A. There is no limit on letters of support. However, at a minimum, an application must include a letter of commitment/support from each of the project team collaborators.
23. Q. Can an applicant request funding to continue implementation of a soil management practice where it is already being implemented?  
A. HSP can only fund soil management practices implemented on land where they were not implemented previously. Continuing ongoing practice implementation is not eligible for funding. However, if a potential applicant chooses to bring additional acreage under an existing, eligible practice implementation, they may request for funding for those additional acres.
24. Q. What must be entered under current management practices in the FFAST application?  
A. Current management practices should include a summary of all management decisions pertinent to the fields being proposed for the project, including but not limited to, management of soil and water, irrigation practices, fertilizer application regime, and if soil amendments are being applied.
25. Q. How will verification of the 10-year requirement for woody practices occur?  
A. CDFA anticipates to conduct verification on a randomly selected subset of projects that implement Establishment of Woody Cover practices during the expected life of 10 years for these practices.
26. Q. What is the difference between Type A and Type B projects?  
A. Both Type A and Type B projects include the components of practice implementation and outreach. The additional requirements for Type A projects include GHG emissions and crop yield measurements from the project, which must follow a statistically sound experimental design.
27. Q. Will applicants receive feedback during the review process?  
A. All applicants will be notified regarding the status of their grant application. Applicants not selected for funding will receive feedback obtained during the review process on their grant application within 60 days after receiving notification.
28. Q. Please explain how required soil tests can be covered by HSP grant funds, especially if 3 soil tests can be covered.  
A. Soil organic matter content test results are required at the following times: (1) prior to practice implementation, (2) one year after the first time practice is implemented, (3) two years after the first time practice is implemented, and, (4) three years after the first time practice is implemented. Depending on when a practice is first implemented in a project, any of the soil test costs occurring between January 1, 2018 and December 31, 2019 may be covered by HSP funds.

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***New Questions: September 1, 2017***

29. Q. Is project verification required for both types of projects?  
A. Yes.
30. Q. Can CDFA provide a template for the Letter of Agreement from landowner in case of leased land?  
A. CDFA has not provided a template for the Letter of Agreement. At a minimum, the letter should be dated and signed by the landowner and indicate the lease term and their consent for the lessee to implement management practices for the three years of the project term.
31. Q. Does implementation of multiple practices get additional consideration during review?  
A. Additional Consideration criteria are listed on page 23 of the RGA and do not include multiple practices. However, an application that includes multiple treatments may have greater GHG benefits, and may receive relatively higher score within the 'GHG Emission Reduction Benefits' criteria.
32. Q. How must an applicant form partnerships to be eligible for funding, for example, if the lead applicant is a grower? How would the partnership be demonstrated and what documentation is required to do so?  
A. Each individual part of the project team should define their role, time of commitment and impact on the project clearly in the Project Team Qualifications section. This should be supported by their resumes and each collaborator must also provide a letter stating their commitment to the project as part of the application.
33. Q. Please define a 'farm' for HSP Demonstration Projects.  
A. For HSP Demonstration Projects, a farm may be a university owned or government owned research/experimental station or privately owned. For privately owned farms, please refer to the definition of agricultural operation included in the HSP Incentives Program, defined as "row, vineyard, field and tree crops, commercial nurseries, nursery stock production, and livestock and livestock product operations."
34. Q. What is the difference between letters of support and the letters from cooperators and/or collaborators?  
A. Letters of support are not a requirement of the HSP and typically come from individuals and organizations outside the applicant organization that are not involved with the project but support the project objectives. Cooperating entities and collaborators are organizations an applicant will be working with to plan and/or implement the proposed project. Cooperating entities can include individuals who may receive a portion of the HSP funds and/or provide matching funds or in-kind contributions. If the application includes cooperators and/or collaborators, a letter from the cooperator/collaborator is required and must be attached in the FAAST system and include detailed contact information, a description of the role in the

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project, the estimated time commitment, and a statement of agreement to participate in the project.

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**ELIGIBILITY (Added on September 1, 2017)**

1. Q. Can the applicants and collaborators be from outside California?  
A. HSP funds will only support projects and project teams based within California. Project PIs/managers must be California based.
  2. Q. Is a project eligible for HSP funds if the proposed farm is currently receiving funds from another state or federal grant program?  
A. Yes. However HSP funds cannot duplicate costs or activities funded by other grant programs. If awarded funds, recipients must have sufficient tracking mechanisms and processes in place to monitor funds from both funding sources and ensure that no duplication of costs or activities occur.
  3. Q. Can an applicant apply for both HSP Incentives Program and HSP Demonstration projects – Type B?  
A. To ensure a wide distribution of funds, CDFA strongly encourages applicants to apply to only one of the program components.
  4. Q. Is the UCANR considered as one applicant and limited to two application submissions, or can county-level UC Cooperative Extensions serve as individual lead applicants?  
A. County-level UC Cooperative Extensions can serve as individual lead applicants on separate applications.
  5. Q. If part of agricultural land where eligible practices to be implemented is in the process of purchasing at application, will the application be eligible?  
A. Applicants must be able to demonstrate the control of land to ensure 3-year implementation of the project at the time of application submission. This must include ownership or letter of landowner agreement in case of leased land.
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**GHG REDUCTION ESTIMATION**

1. Q. In Compost Planner, where should an applicant enter the compost application rate (i.e., number of dry tons per acre), since the GHG reduction benefit and payment is calculated based upon the application rate?  
A. CDFA recommended compost application rates for eligible types of compost under the HSP are already incorporated into Compost Planner modeling methodology. For the GHG emissions reduction estimation, an applicant only need to select the appropriate compost application implementation (annual crops, perennials, orchards and vineyards, and

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grasslands, and C/N ratio  $\leq 11$  or  $> 11$ ) in Compost Planner, and enter the number of acres on which compost will be applied.

The payment rate, on the other hand, is calculated for total tonnage of compost used in the project, which is obtained by multiplying number of dry tons of compost per acre with number of acres of application.

GHG benefits and payments under the HSP will only be considered for the CDFA recommended compost application rates. If applicants determine they would like to use more compost than the CDFA-recommended rates, then this cost must be covered by matching funds. See page 7 of the RGA for CDFA-recommended compost application rates.

***New Questions: September 1, 2017***

2. Q. Has CDFA established a GHG reduction goal it intends to achieve from the collective implementation of projects funded by the HSP?  
A. CDFA has not identified a statewide GHG reduction goal for the Healthy Soils Program.

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**EXPERIMENTAL PROJECT DESIGN**

1. Q. Is there a minimum size requirement for T and C fields (and their replicates) within the project?  
A. There is no minimum size requirement for fields T and C. However, they (and their replicates) should be similar in size. Additionally, T and C fields should have same cropping and management histories and similar soil conditions as much as possible, with the only different being the newly implemented HSP-funded practice(s). Field size must be large enough to allow field operations.
2. Q. The guidelines say that T and C must be different fields, but if a field is quite large (like 100 acres), could T and C be different (permanent) good-sized plots within that same field?  
A. T and C must be implemented in the same field where cropping and management histories and soil conditions are same or as similar as possible. T and C can be smaller plots within a same large field. This must be explained clearly in Project Design.
3. Q. Can a project include more than one treatment?  
A. A project may include more than one treatment (i.e. management practice) as long as the requirements for setting up and sampling from T and C fields for each treatment are correctly followed.
4. Q. Can the applicant use the same control field for two different treatment fields?

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- A. Yes. For example, if two treatment fields each include a new eligible management practice, the same control with no implementation of new practice (i.e., with current practices) can serve for both.
5. Q. Are small scale, urban farms scale projects eligible?  
A. Urban farm projects may be eligible if they fulfil the definition of agricultural operation defined for the HSP.

***New Questions: September 1, 2017***

6. Q. Can the Treatment (T) and Control (C) fields be different sizes, for example, a smaller control field to minimize production loss in the C?  
A. CDFA recommends that T and C fields be of similar size.
7. Q. Is crop-rotation allowed on the land part of the HSP project during the three project years the project term?  
A. Recipients can implement crop-rotation although the proposed practices must be implemented as proposed during the three years of the project term. If the operation currently implements crop-rotation, this should be explained clearly under cropping and management history as part of the application.
8. Q. Would a carbon farming plan be eligible for the HSP Demonstration Projects?  
A. Applicants must ensure that any project plan they proposed must meet the program and project requirements set forth in the RGA.
9. Q. What does "three replicates" mean in reference to T and C fields?  
A. Each of the treatment and control fields must be replicated three times, i.e., one set of a T and a C field count as one replicate, and there must be three such sets at a minimum.
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**ELIGIBLE AGRICULTURAL MANAGEMENT PRACTICES**

1. Q. Can HSP funds be used to continue implementation of practices already being implemented at a university research farm?  
A. HSP Funds cannot be used to fund fields or APNs with existing and ongoing implementation of any agricultural management practices listed under Section 6. Eligible Agricultural Management Practices. Such projects must either include an additional practice or expand currently implemented practices to new acres of land to be eligible for funding.
2. Q. Are pasture-based systems eligible for HSP Demonstration Projects?  
A. Pasture-based systems are eligible under the HSP. Such projects must include the implementation of practices applicable to grasslands/rangelands from the HSP eligible practices.



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3. Q. For rangeland projects, must compost be applied all 3 years to the same field? Does this apply to projects that intend to implement Cropland to Herbaceous Cover or Establishment of Woody Cover practices?
- A. Yes. All practices proposed within an HSP-funded project must be implemented on the same field for the entire duration of the project, i.e., January 1, 2018 through December 31, 2020. For example, compost must be applied and/or cover crops be planted on the same field(s) for the three consecutive years; field rotation is not eligible for funding through the HSP. For those practices that involve a one-time activity, such as planting a permanent herbaceous or woody cover (i.e., tree planting), the practice can be implemented in the first year and must be maintained for at least three years of the project.
4. Q. Will this grant cover the installation of a solar system?
- A. No, solar system installation is not one of the eligible practices under the HSP. See page 6 of the RGA for the list of practices eligible for funding through the HSP practices.
5. Q. Can a farmer use compost created on their farm or vermicompost as part of the Compost Application Practices under the HSP? How must the compost be applied, e.g., broadcast application or put directly in the planting hole?
- A. On-farm compost is not eligible for funding through the HSP. Detailed information on compost eligible for funding through the HSP is available in CDFA's Compost Application White Paper available on this website:  
[https://www.cdfa.ca.gov/oefi/healthysoils/docs/CompostApplicationRate\\_WhitePaper.pdf](https://www.cdfa.ca.gov/oefi/healthysoils/docs/CompostApplicationRate_WhitePaper.pdf).  
Please see pages 4-5 of this document for details.  
There are no specific requirements on the method of compost application and an applicant must select a method best-suited to their operation and crop-type.
6. Q. Is there a requirement to implement more than one allowable practice? Will implementing more practices be viewed/scored more favorably?
- A. Implementation of multiple practices is not a requirement for HSP Demonstration Projects. However, an eligible project must implement at least one of the eligible practices, and must include a Soil Management Practice if none is being currently implemented on the operation. Implementing more than one practice can result in a greater GHG reduction from a project and may receive a higher score during the review process.
7. Q. How does one distinguish between compost and mulch? Is the application of aged hardwood chips mixed with fresh green waste a compost or mulch application?
- A. Compost eligible for funding through the HSP is defined in pages 4-5 of the CDFA Compost Application White Paper  
[https://www.cdfa.ca.gov/oefi/healthysoils/docs/CompostApplicationRate\\_WhitePaper.pdf](https://www.cdfa.ca.gov/oefi/healthysoils/docs/CompostApplicationRate_WhitePaper.pdf)  
and must have undergone the specific stages of compost formation. Mulch can be composed of natural materials such as straw, grass hay, wood products such as wood chips, bark, or shavings or other wood materials.

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8. Q. Is a list of permitted/authorized compost facilities that would qualify to meet the program's definition of eligible compost available?
- A. CDFA has not provides a list of permitted/authorized compost facilities. Applicants must check with their local compost facilities to determine if they meet the criteria outlined in CDFA's Compost Application White Paper.
9. Q. When converting feet of practice implementation to acres, is it permissible to implement a practice at a width greater than the minimum indicated in the spreadsheet?
- A. An applicant is allowed to implement a practice at a width greater than the minimum provided in the spreadsheet. Applicants may overwrite the width of practice implementation in the spreadsheet in such a case and must ensure to include this information in their Project Design. This will have no impact on budget calculation as payment rate is based on length (feet), but will impact the acreage of the practice to be implemented and may result in a greater GHG reduction from the project.
10. Q. Does the HSP allow the use of biochar as mulch?
- A. Biochar application is not an eligible practice under the 2017 HSP.

***New Questions: September 1, 2017***

11. Q. Does Mulching include the practice of whole orchard recycling, where trees are chipped up and placed back on the orchard site?
- A. Yes, wood chips are identified as a suitable material for mulching. Applicants must ensure that Mulching implementation is consistent with the requirements provided in the NRCS Conservation Practice Standard for Mulching, available at: <https://efotg.sc.egov.usda.gov/references/public/CA/484-std-ca-9-15.pdf>.
12. Q. Will replanting native hedgerow (removed recently due to die off) be eligible for funding?
- A. Establishing of a new hedgerow is an eligible management practice and must be in accordance with the NRCS Conservation Practice Standard available at <https://efotg.sc.egov.usda.gov/references/public/CA/422-std-ca-3-12.pdf>.
13. Q. Will mulching in annual row crops be eligible?
- A. Mulching implementation must take place in accordance with the NRCS Conservation Practice Standard available at: <https://efotg.sc.egov.usda.gov/references/public/CA/484-std-ca-9-15.pdf> to be eligible for funding.
14. Q. Is plastic mulch eligible for funding?
- A. No, materials for mulching must be natural materials which has potential to increase soil carbon storage, consistent with Appendix II, Document 3: Standard Payment Rates for Eligible Agricultural Management Practices.
15. Q. Can applicants use compost produced on their own and use HSP funds to conduct tests to test the quality of the compost?

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- A. No. HSP funds may only be used for the implementation and demonstration of eligible management practices and associated costs detailed in the RGA. Compost eligible for use with HSP funds must be produced by a facility permitted or otherwise authorized by state and local authorities that can demonstrate compliance with all state regulations regarding inspection of incoming feedstocks, finished-product testing requirements including the Process to Further Reduce Pathogens (PFRP), maximum metal concentrations for heavy metals and physical contamination limits.
16. Q. For a rangeland project desiring to implement silvopasture, what other management practice should be included to be eligible?  
A. A project must include the implementation of a Soil Management Practice listed on page 7 of the RGA. For grassland projects, this may be limited to compost application.
17. Q. Please provide guidance on how an applicant may replicate and randomize GHG measurements from a Silvopasture based project.  
A. A silvopasture project must include a soil management practice in combination with silvopasture. Replication of treatments is incorporated in terms of the soil management practice. GHG measurements must be conducted for all implemented practices.
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**PRACTICE IMPLEMENTATION (Added on September 1, 2017)**

1. Q. Are there any requirements on where to get plantings for herbaceous cover and woody cover?  
A. Applicants must determine the best source to obtain plantings for their project.
2. Q. When implementing mulching and windbreak establishment, can mulch be applied in between tree plantings?  
A. Applicants must determine how best to combine practices in a manner that is feasible for their project based on the requirements outlined in the NRCS Conservation Practice Standards, the weblinks for which are provided in pages 6-7 of the RGA.
3. Q. Should C:N ratio be tested for material applied as mulch?  
A. Mulching must be implemented in accordance with requirements outlined in the NRCS Conservation Practice Standard, including C:N ratios; available at: <https://efotg.sc.egov.usda.gov/references/public/CA/484-std-ca-9-15.pdf>.
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**DATA COLLECTION (Added on September 1, 2017)**

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1. Q. Can a project comprise of several farms as demonstration sites but collect GHG emissions data from only one of the farms?  
A. Each farm included under a Type A project must implement eligible practice(s), meet outreach requirements and collect GHG data.
  
  2. Q. Is there an expected frequency of GHG monitoring for a Type A demonstration project?  
A. Applicants must determine the appropriate frequency of data collection for their projects, which may depend on a variety of factors including but not limited to soil conditions, field operations and weather. CDFA strongly encourages Type A project applicants to collaborate and consult with academic researchers with appropriate technical expertise to ensure the success of their projects. Guidance on GHG measurements is provided in Appendix II, Document 5: References for Field Measurement of Greenhouse Gas Emissions, available at: [https://www.cdfa.ca.gov/oefi/healthysoils/docs/2017-HSPDemo\\_GHGMeasurements.pdf](https://www.cdfa.ca.gov/oefi/healthysoils/docs/2017-HSPDemo_GHGMeasurements.pdf).
  
  3. Q. Does the requirement to maintain project records for three years, include the three project years?  
A. This is a post-project requirement and is applicable for three years after completion of project.
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**COST SHARING AND BUDGET**

1. Q. In the webinar it was stated that the match should account for 33.3% of the total project costs that would be incurred during the 3rd year of the project, after the grant funding was completed. In the instance where most of the costs are allocated in the first and second years (implementation of practice) and the 3rd year is likely outreach event, monitoring and reporting, the match would likely equate to less than 33.3%. Please advise on how applicants should propose to calculate our match contributions.  
A. 33.3% match presents an example scenario where the same costs are incurred as part of a project for Project Years 1, 2 and 3. Outreach events must be conducted in each Project Year. In instances where practices are implemented in Project Year 1 and only maintained in subsequent years (e.g. tree plantings), the costs may be different in Year 3 and must be clearly explained in the Budget Narrative template.
  
2. Q. The cost-share requirement says that documentation is required to cover year 3 costs of implementation of the practices. Does this mean the cost of implementing the practices, or also of the monitoring and data collection work?  
A. All costs incurred in Project Year 3, including implementation and/or maintenance of practices, data collection, and outreach activities must be covered by cost-share.
  
3. Q. Can Federal funds be used as match?  
A. Federal funds can be used as matching funds.

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4. Q. Is CDFA aware of sources for cash match for compost practice in Project Year 3, since NRCS does not cost-share on this practice?  
A. CDFA encourages applicants to check with their local NRCS office for details on other funding sources.
5. Q. Is there a cap on indirect cost rates allowed in the budget?  
A. Indirect costs should be calculated using existing policies of the lead applicant organization and explained in the Budget Narrative template. If no policy exists, indirect costs may not exceed ten percent of the total project cost.
6. Q. Are cover crop seed costs an eligible cost?  
A. The standard payment rate for this practice includes seed costs.
7. Q. What are the acceptable or recommended rates for calculating in-kind contributions for labor and property? For the purposes of determining cost sharing, does property refer to equipment or land use?  
A. Costs for in-kind contributions should be based on what it would actually cost to pay someone for the labor or property. Property can refer to either equipment or land use.

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8. Q. Do NRCS funds covering practices not part of the HSP qualify as matching funds?  
A. No. Any matching funds committed to the project must directly support the implementation of the HSP project, i.e., implementation of eligible practices, outreach and data collection (if applicable).
9. Q. Can an applicant use compost generated on their own farm as an in-kind cost?  
A. Compost eligible under the HSP must be produced by a facility permitted or otherwise authorized by state and local authorities that can demonstrate compliance with all state regulations regarding inspection of incoming feedstocks, finished-product testing requirements including the Process to Further Reduce Pathogens (PFRP), maximum metal concentrations for heavy metals and physical contamination limits. On-farm compost is not supported through the program funding and does not qualify as cost-share.
10. Q. Can HSP grant funds be used to support year 3 activities? If so, can the cost of those activities be reimbursed under the grant?  
A. Expenses and activities occurring outside project year 1 and 2 cannot be reimbursed under the grant. All HSP grant funded activities must occur in project year 1 and 2. Applicants must use cost share funds to cover project year 3 activities.
11. Q. Should applicants include requested/pending funds in the Cost Sharing attachment? How about matching funds that will be provided by a private source that has not yet been identified?

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- A. Only secured cost share should be included in the Cost Sharing attachment. If the source of cost share has not yet been identified, it would be considered unsecured funds and should therefore not be listed in the Cost Sharing attachment.
12. Q. Can funds from other State programs be used as matching funds for the Healthy Soils Program?
- A. Yes. However, the applicant should clarify how each project supplements rather than duplicates efforts of the other and detail the tracking mechanisms and processes in place to ensure the HSP does not fund duplicate costs and activities.
13. Q. Is it allowable to include tuition costs for students?
- A. Tuition remission paid as, or in lieu of, wages to students performing necessary work are allowable provided that the individual is performing activities necessary to the grant; tuition remission and other forms of compensation are consistently provided in accordance with established institutional policy and consistently provided in a like manner to students in return for similar activities conducted under other grant awards; during the academic period, the student is enrolled in an advanced degree program and the activities of the student in relation to the sponsored research project are related to the degree program; the tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of the necessary work; and it is the institution's practice to similarly compensate student under similar awards as well as other activities.
14. Q. What is the allowable indirect cost rate for the Healthy Soils Program?
- A. Indirect costs must be treated in accordance with your organization's policies and procedures. In the absence of a policy, the applicant's indirect cost must not exceed 10 percent.
15. Q. Can applicants use their federally approved indirect cost rate for HSP projects?
- A. HSP funds are non-federal, for this reason a federally approved indirect cost rate is not directly applicable. In the absence of a policy that addresses non-federal funds, applicants are encouraged to use the 10% de minimus rate. If selected to receive an award, applicants selecting a rate greater than the 10% de minimus will be required to provide their policy on indirect cost before an agreement can be executed.
16. Q. For the purpose of determining the allowable indirect cost rate for UC system applicants, do Healthy Soils Program funds originate with CDFA?
- A. Yes. For the purpose of determining the allowable indirect cost rate for UC system applicants, Healthy Soils Program funds originate with CDFA.
17. Q. Can the required cost sharing for Year 3 be calculated from the combined cost sharing committed to the entire project (Year 1-3) or does it need to be calculated based on the actual cost sharing committed to Year 3 activities?
- A. The required cost sharing for Year 3 must be calculated based on the actual cost sharing committed to Year 3 activities.

**2017 HEALTHY SOILS PROGRAM (HSP) DEMONSTRATION PROJECTS  
QUESTIONS AND ANSWERS (Q&A)**

**Updated on September 1, 2017**

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**OUTREACH**

1. Q. If the applicant organization conducts an existing training program for 45 apprentice farmers each year, can these be included as part of the target goal of outreach to at least 40 farmers and ranchers per year?  
A. Apprentice farmers should not be included unless they are farming or ranching currently.
2. Q. Can the outreach target of 120 people be shared between more than one demonstration site?  
A. If the additional demonstration sites are part of the same project, then the outreach events may be conducted at the separate sites.
3. Q. Must all outreach presentations for demonstration sites take place at the site itself, or could indoor presentation at, for example, a rancher seminar in winter, serve as "field day" to help reach outreach target?  
A. CDFA recommends demonstrations be held at the actual project site. However, CDFA recognizes the importance of off-site presentations to augment the outreach efforts conducted under the HSP Demonstration Projects.
4. Q. Is purchase of no-till driller allowable cost?  
A. Equipment that exceeds \$5,000 in cost are referred to as special purpose equipment and refer to tangible, nonexpendable, personal property having a useful life of more than one year. Such equipment is allowable and is used only for research, scientific, or other technical activities. Applicants must determine what types of equipment are essential and necessary for the successful implementation of their project and provide a proper justification in the Budget Narrative template.

***New Questions: September 1, 2017***

5. Q. Is the project's GHG reduction more important than addressing disadvantaged communities?  
A. Please refer to the evaluation criteria provided on pages 22-23 of the RGA. Each project will be scored based on these criteria by the HSP Technical Advisory Committee and projects will be ranked on their overall score.
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