

2017 HEALTHY SOILS PROGRAM (HSP) INCENTIVES PROGRAM

QUESTIONS AND ANSWERS (Q&A)

Updated September 1, 2017

GENERAL QUESTIONS

1. Q. Why is the APN required as part of the grant application?
A. Assessor's Parcel Numbers or 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.
2. 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 Sustainability (see page 14 of the RGA).
3. 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.
4. 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".

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5. Q. Are the total acreage of an agricultural operation and the total acreage of the APNs corresponding to that operation expected to match?
A. The total acreage of an agricultural operation is part of the required information about the operation and must be provided. The specific number of acres on APNs that are included in the project must also be provided to justify the project design and GHG reduction benefits. These two numbers need not be equal.
6. Q. If a Letter of Landowner Agreement is not available from a landowner for land leased from a federal agency, how may an applicant still participate in the program?
A. If a Letter of Landowner Agreement is not available, a copy of the lease indicating applicant's control of the land should be provided.
7. Q. For projects on leased land, should the Letter of Agreement from the landowner state their consent to allow the applicant to implement the proposed project over the duration of the project term?
A. Yes, the Letter of Agreement from the landowner should state his/her consent for the duration of the project term (January 2018 through December 2020).

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8. Q. Is newly leased land where the applicant does not have the past three year's cropping and management history eligible to be included in a project?
A. The applicant must provide best available cropping and management practice information about the operation and clearly indicate the time period of the lease to justify lack of information as part of their application.
9. Q. Can projects be on separate ranches with same tax ID number?
A. Projects may be located on separate ranches within the same agricultural operation, however, only one application per unique Tax ID may be submitted.
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ELIGIBILITY

1. Q. Can two separate properties (or APNs) with similar implementation project proposals be included in a single application?
A. Yes, one application can include multiple fields and/or APNs.
2. 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, only one project per unique tax ID may be submitted and HSP Incentives Program awards are limited to one per organization.
3. 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. If the land is leased, a letter of agreement from the landowner is required.

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4. Q. Is newly purchased fallow land with no farming history in the past three years eligible for HSP funding?
A. Fallow land that was previously cropland and has been inactive recently is eligible for inclusion within an HSP project. However, natural fallow lands being converted to cropland are not eligible.
5. Q. Are educational farms that don't sell their produce eligible for this program?
A. HSP Incentives Program projects must be located on a California agricultural operation, defined as row, vineyard, field and tree crops, commercial nurseries, nursery stock production, and livestock and livestock product operations. Applicants must determine how their project best fits into the program based on this definition. CDFA encourages applications from a variety of operations.
6. Q. Is compost produced from municipal green waste at a facility that is not licensed eligible for funding through the HSP?

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- A. 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. Compost eligible for funding through the HSP is defined in detail in the [Compost Application White Paper](#).
7. Q. In case of leased land, should the applicant be the landowner or the lessee?
- A. Either entity is eligible to apply. Lessees must include a Letter of Agreement from the landowner as part of their application.
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FUNDING

1. 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 \$50,000.
2. 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. Therefore, eligibility and all other program information will be announced when future rounds of HSP funding are announced. CDFA encourages applicants to apply in the current funding round.
3. 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.
4. Q. How does CDFA's HSP Incentives Program differ from the NRCS EQIP? Can producer receive funding from both programs?
- A. The CDFA Healthy Soils Program (HSP) is funded by the Greenhouse Gas Reduction Fund and aims to reduce greenhouse gas emissions from California agricultural lands. Practices that are eligible for funding through the HSP include a subset of the NRCS standard conservation practices as well as practices specified by CDFA, i.e., Compost Application practices. The NRCS program is funded by federal funds. Both programs provide a standard payment rate for implemented practices, although the rates differ between the two programs. A potential HSP applicant can receive funding through both programs. Additionally, NRCS EQIP funds may be used as matching funds for the HSP.
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FAAST APPLICATION

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1. Q. Does the entire grant need to be uploaded to FFAST at once, or can it be saved and worked on periodically?
A. FFAST gives applicants the option to save their work in progress. Applicants do not need to complete the entire application at once. However, applicants are allowed only 90 minutes once in the Questionnaire portion of FFAST; one can refresh this section in FFAST as many times as needed to extend the time period.
2. 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.
3. Q. The FFAST application asks applicants to enter acres. Does this refer to total farm acres or project acres?
A. 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.
4. Q. Will CDFA provide examples of a completed application that applicants could use as a guide?
A. CDFA will not provide an example completed application for the HSP. Instead, demonstration of how to use FFAST 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/healthysoils/IncentivesProgram.html>.

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5. Q. If an applicant wants to include both owned land and leased land in the project, what should she answer regarding FFAST Q1c?
A. The applicant should select “no” and include Letter(s) of Agreement from the landowner for APNs on leased land. In the project logistics and design, the applicant should list all APNs part in the project and clearly indicate owned and leased acreage (and APNs) part of the project.

SOIL TESTING

1. Q. Does CDFA have a preferred way of providing current soil organic matter data from applicants, i.e., lab test result versus from the web soil survey?

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- A. CDFA does not have a preference regarding which kind of soil organic matter data is provided. Applicants should include the data that is readily available to them.
2. Q. Can soil tests be conducted 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.
3. 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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4. Q. How many soil samples are required to be taken for tests to determine organic matter content?
- A. Number of soil samples to be taken from a field/APN depends on factors including but not limited to field conditions (soil texture, drainage and landscape), cropping and management histories, and field acreage. CDFA has provided guidelines at the HSP Incentives Program webpage, Appendix II Document 5 Soil Sampling Protocol for Soil Organic Matter Analysis (https://www.cdfa.ca.gov/oefi/healthysouils/docs/HSP_SoilSampling.pdf).

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

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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.

ELIGIBLE MANAGEMENT PRACTICES

1. 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.
2. 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.
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 the HSP Incentive 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.

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5. Q. If an agricultural operation already uses cover crops and wishes to implement an herbaceous wind barrier during the time covered by the grant, would this be an eligible project? Should additional acres of the operation be brought under cover crops as well?
- A. Committing to continue an existing/ongoing Soil Management Practice (e.g. cover crop) from January 1, 2018 through December 31, 2020 is sufficient for eligibility of projects proposing implement Cropland to Herbaceous Cover or Establishment of Woody Cover practice(s). However, HSP funds will only cover the new practices being implemented on the project.
6. 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/healthysouls/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.
7. 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 under the HSP Incentives Program. 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.
8. 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/healthysouls/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.
9. 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 provided 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.
10. Q. Does the HSP allow the use of biochar as mulch?

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- A. Biochar application is not an eligible practice under the 2017 HSP.
11. Q. If a grower implemented practices on an APN using NRCS EQIP, and that contract is now expired, can they implement the same practices again using HSP funds?
- A. No. CDFA HSP funds can only support implementation of eligible practices where they have not been previously implemented. Continuing/ongoing practice implementation on the same field(s) is not eligible for funding through the HSP.

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12. Q. How would an applicant determine which practice to implement, for example, Silvopasture vs. Windbreak /Shelterbelt Establishment?
- A. Applicants must read the NRCS Conservation Practice Standards for Silvopasture (<https://efotg.sc.egov.usda.gov/references/public/CA/381-CPS-ca-04-17.pdf>) and Windbreak /Shelterbelt Establishment (<https://efotg.sc.egov.usda.gov/references/public/CA/380-std-ca-4-13.pdf>) practices and determine how his/her project fits into those requirements prior to submitting the application.
13. Q. In the RGA, it says that practices that were implemented previously are not eligible for the HSP funds. Does “previously” refer to last one year or three years?
- A. “Previously” refers to past one year; i.e., practices that were implemented in the past one year are not eligible for HSP funds.
14. Q. What are the requirements for Mulching?
- A. The requirements for Mulching can be found 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>.
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PRACTICE IMPLEMENTATION

1. 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, for example, greenhouses.
2. 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

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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.

3. 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.
4. 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.

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5. Q. Can farmers choose which crop or woody cover to plant for Cropland to Herbaceous Cover and Woody Cover practices?
A. Farmers can select a crop or woody cover type best suited to their project as per the requirements set forth in the NRCS Conservation Practice Standards for each of the practices. Weblinks for each of the NRCS Conservation Practice Standards applicable to the program are included on pages 6-7 of the RGA. Applicants must include the names plant species in Project Design.
6. Q. Can riparian forest buffer plantings be planted from the field on the top of the bank and include the streambank?
A. Project selecting Riparian Forest Buffer practice must follow the NRCS Conservation Practice Standard for this practice available at <https://efotg.sc.egov.usda.gov/references/public/CA/391-std-ca-11-13.pdf>.
7. Q. For cover crop, does every row have to be seeded with cover crop or can it be every other row?
A. Applicants selecting Cover Crop as one of the practices part of their project must follow the implementation requirements set forth in the NRCS Conservation Practice Standard for Cover Crops, available at: <https://efotg.sc.egov.usda.gov/references/public/CA/340-std-10-11.pdf>.
8. Q. Is establishing practices such as Field Border, Vegetative Buffer or Filter Strips on the perimeter of fields an eligible practice?
A. These practices must be implemented in accordance with the requirements provided in their respective NRCS Conservation Practice Standards, the weblinks to which are provided on page 6-7 of the RGA.

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9. Q. Is planting of seeds/acorns for Woody Cover Establishment practices an eligible method?
A. Tree plantings must be established according to the guidelines and practice requirements and scenarios provided in the corresponding NRCS Conservation Practice Standards and Appendix II, Document 3: [Standard Payment Rates for Eligible Agricultural Management Practices](#).
10. Q. Where should I take soil samples if I am not sure which fields I will apply compost to in the three years of the HSP project term?
A. Compost application must be implemented each year for the three years of the project (January 1, 2018 – December 31, 2020) in the same field within an APN and does not depend on crop type included in the project. Applicants must determine the design of the project to ensure it meets the program requirements. All fields and APNs to be included in the project must be identified at the time of application. Guidance on how to collect soil samples from fields that are included in the project is available in Appendix II, Document 5: Soil Sampling Protocol for Soil Organic Matter Analysis, available at: https://www.cdfa.ca.gov/oefi/healthysoils/docs/HSP_SoilSampling.pdf.
11. Q. What does “convert strips of irrigated cropland” mean in the context of vineyards and orchards? Are avenues and field perimeter roads considered cropland?
A. In the context of vineyards and orchards, avenues and field perimeter roads are not considered as cropland.
12. Q. Can an applicant choose different combinations of management practices for each of the three years of the project implementation, for example, no-till and cover crop in Project Year 1 and only no-till in Project Year 2?
A. Each practice proposed as part of an HSP project must be implemented on the same land (i.e. same field within an APN) for each of the three years of the project.
13. Q. Is removal of annual grasses and replacing them with perennial grasses on a rangeland an eligible practice under the HSP?
A. Establishment of herbaceous cover practices must be implemented in accordance with the specifications outlined in the respective NRCS Conservation Practice Standards, weblinks to which are provided on pages 6-7 of the RGA.
14. Q. Can mulch be tilled into the soil?
A. Mulching must be implemented in accordance with the specifications outlined 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>.
15. Q. How can compost be spread on rangeland?
A. Cdfa encourages applicants to consult with their local agricultural experts, such as University of California Cooperative Extension, Ag Commissioner’s Office or Resource Conservation Districts when designing projects.

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16. Q. Can an applicant include two compost applications per year, once in the spring and once in the fall? Would the HSP funds cover both applications or will they only cover one application of compost per year?
- A. The applicant can apply compost more than once per year and must calculate total compost tons to be applied for one year to include in the Budget Worksheet.
17. Q. Can an applicant use compost at an application rate higher than the rate mentioned in the RGA?
- A. An applicant may apply compost at a higher rate depending on their farm needs; however, HSP will not fund rates in excess of those established in the RGA and excess costs must be borne by the applicant.
18. Q. The Compost Application White Paper recommends that compost should not be applied on slopes greater than 15%. Is this a requirement or a best practice recommendation?
- A. The Compost Application White Paper identifies rangeland with slope greater than 15% as ineligible for compost application and will not be supported through HSP funds.
19. Q. Can an applicant apply three times the rate of their annual compost use during Project Year 1 in their proposed project, and not repeat application in Project Years 2 and 3?
- A. No. Practices proposed as part of the project must be implemented for all three years of the project, from January 1, 2017 through December 31, 2020.
20. 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>.

BUDGET

1. Q. Are cover crop seed costs an eligible cost?
- A. The standard payment rate for this practice includes seed costs.

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2. Q. Where can an applicant find payment rates for specific eligible agricultural management practices?
- A. Payment rates for eligible agricultural management practices are provided on the HSP Incentives Program website under Appendix II: Reference Documents to Assist in Preparation of Application in Document 3: Management Practice Payment Rates. Here is the link: https://www.cdfa.ca.gov/oefi/healthysoils/docs/2017-HSPIncentives_Payments.pdf.

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3. Q. How were CDFA's standard Payment Rates established?
A. CDFA established the Standard Payment Rates for the Healthy Soils Program based on consultation with USDA-NRCS, in-house cost analysis and public comments. All costs needed to implement a given practice are included in the standard payment rate.
4. Q. If the flat payment rates are deemed insufficient by an applicant for his/her project, can she/he provide his/her own budget worksheet? Will she/he be credited for extra points for this portion of cost sharing?
A. All applicants must use the provided Budget Worksheet. Cost-share provided in Project Years 1 and 2 eligible for additional consideration during the review process must be a part of the costs calculated using CDFA's Budget Worksheet. The Optional Matching Funds column in the Cost Summary tab should only be filled in when the applicant is providing funds that will reduce his/her requested grant amount from CDFA. Payment rates created by the applicant that are different from those established by CDFA will not be given additional consideration during review.
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COST SHARING

1. Q. Please explain how HSP grant dollars and matching funds will cover the cost of practices under the Cropland to Herbaceous Cover and Establishment of Woody Cover categories, which can be implemented in Project Year 1 but may incur a maintenance cost in subsequent years.
A. For practices listed under Cropland to Herbaceous Cover (e.g. if perennial species are planted) and Establishment of Woody Cover categories, HSP funds will cover Project Year 1 costs (initial establishment) and Project Year 2 maintenance costs. Project Year 2 costs should be reported in terms of standard payment rates for those practices. Project Year 2 costs may also be covered by matching funds.
For practices that will be repeated for three years, such as compost application, annual cost is calculated based on the standard payment rates for each year, and the cost share provided in Project Year 3 is expected to be the same as annual cost calculated for Project Years 1 and 2.
2. 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.
3. Q. Should the cost match for Project Year 3 equal 33.3 percent of the project's total budget? How would this apply in the case where most of the costs are allocated in Project Years 1 and 2 for eligible management practice implementations (e.g., woody planting practices) and Project Year 3 costs for practice maintenance will be less than 33.3 percent?

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- A. The requirement that cost sharing must be obtained for approximately one-third (or 33.3 percent) of the project costs is meant to provide the applicant with a guideline for estimating project budget costs. However, there is no set amount or percentage for the cost sharing an applicant must obtain for Project Year 3. All Project Year 3 costs must be covered by cost sharing. Therefore, the applicant should anticipate all actual project costs required to implement, maintain, and demonstrate the selected eligible management practices and otherwise meet the requirements of the grant award. As part of the application, the applicant will be required to certify that cost sharing for all Project Year three costs have been obtained.
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. How is cost-share included in the budget for Project Years 1 and 2, given the budget template's preset equations?
- A. The last tab in the budget worksheet includes space to provide information on matching funds provided by applicants for Project Years 1 and 2.
6. Q. Can the cost-share be entirely in-kind and materials cost?
- A. Yes, as long as cost-share covers all costs for practice implementation in Year 3.
7. Q. Can applicants include their time implementing the practice as matching funds?
- A. Yes. Cost sharing can be in the form of matching funds or an in-kind contribution. Matching funds refers to a dollar amount committed to a project from a source other than the HSP. An in-kind contribution is the estimated dollar value of any time, property, or supplies donated to a project.
8. Q. If a grant recipient cannot fulfil their grant agreement term and not complete their project or continue it for three years, what are the consequences?
- A. If a recipient is not able to fulfil the grant agreement terms, they should notify CDFA immediately. In the event of non-performance, CDFA may take any action deemed necessary to recover all or any portion of the grant funding.
9. Q. Should the cost sharing amount that an applicant must obtain equal the amount of the grant award the applicant receives?
- A. Cost sharing must be obtained for all Project Year 3 costs or approximately one-third of the anticipated total project costs. Therefore, in calculating the required cost sharing amount, the applicant should anticipate all actual project costs required to implement and maintain the selected eligible management practices and otherwise meet the requirements of the grant award for Project Year 3.
10. Q. How will recipients be reimbursed for allowable cost incurred for Project Years 1 and 2?

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- A. Recipients will submit invoices to CDFA for reimbursement based on the Standard Payment Rate. In some circumstance, recipients may request an advance up to 25% of total award to begin project implementation.

New Questions: September 1, 2017

11. Q. Is there a standard labor rate for in-kind services provided by the applicant?
A. Services provided by labor must be valued at a rate consistent with what is typically charged for those services in the applicant's region by individuals with the same expertise and training as is required for the implementation of the HSP project.
12. 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.