



- Board of Directors
Communications and Legislation Committee

7/9/2019 Board Meeting

8-6

Subject

Express support for AB 296 (Cooley, D-Rancho Cordova): Climate change: Climate Innovation Grant Program: voluntary tax contributions; and AB 409 (Limón, D-Santa Barbara): Climate Change: agriculture: Agricultural Climate Adaptation Tools Program: grants; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

These two bills, AB 296 (**Attachment 1**) and AB 409 (**Attachment 2**), would establish competitive grant programs to help reduce greenhouse gas (GHG) emissions and address climate change impacts to the agricultural sector. Specifically, AB 296 establishes the Climate Innovation Grant Program (Climate Program) to fund research and develop technologies to help decarbonize the electrical grid, sequester carbon, and remove criteria air pollutants. AB 409, upon one-time appropriation by the Legislature, establishes a \$2 million Agricultural Climate Adaptation Tools Program to develop planning tools, fund pilot projects and provide technical assistance to help the agricultural sector adapt to climate change.

Details

Summary of Bills

As currently amended, AB 296 (Cooley, D-Rancho Cordova) establishes a Climate Innovation Grant Program (Climate Program) by June 2021 to provide competitive grants for the research and development of new technologies that reduce GHG emissions or address climate change impacts. The Climate Program, administered by the Strategic Growth Council (Council), would award grants as matching funds for the research and development of innovative technologies that contribute to meeting statewide climate adaptation goals. These innovations include, but are not limited to, affordable approaches to water quality, reliability and soil quality improvements addressing crop, plant and soil health; reduction of flood risk; enhancing fish and wildlife habitat; permanent and safe GHG and carbon sequestration and reduction of criterial air pollutants. To help fund the Climate Program, AB 296 establishes both a Climate Innovation Fund and a Climate Innovation Voluntary Tax Contribution Account (Account). Individual taxpayers may voluntarily contribute to the Account as part of their state tax return. The Account expires on January 1, 2027. The Climate Program would sunset on January 1, 2031.

AB 409 (Limón, D-Santa Barbara) also directs the Council to establish a competitive grant program by June 30, 2020, to develop climate adaptation and resiliency planning tools and training materials for agricultural producers. The bill requires the Council to make available, upon a one-time appropriation, up to \$2 million to develop farm-level, science-based climate adaptation and resiliency planning tools to help farmers and ranchers assess relevant climate change impacts and risks affecting their respective business (e.g., increasingly variable and extreme weather, droughts and declining water resources). AB 409 also directs the grant program to conduct pilot projects in the Central Valley, Central Coast, and desert regions of the state in collaboration with local technical assistance providers, farmers, and ranchers to test and improve the new planning tools. Planning tools developed as a result of this program would be in the public domain.

Potential Benefits

Metropolitan, its member agencies, and its lessees could potentially benefit either directly or indirectly from the grant funds created by these bills. The Board has formally adopted a number of policies supporting research into the effects of climate change on water supply and quality. Supporting AB 296 and AB 409 would create grant funding to improve, develop and promote innovative climate adaptation technologies and support on-farm, science-based strategies and tools that benefit farmers and the environment by restoring healthy soils, conserving water, and sequestering carbon.

As a large landholder, Metropolitan is supportive of sustainable and adaptive land management practices. As an agricultural landholder – with more than 48,000 acres in both the San Francisco Bay/Sacramento – San Joaquin Delta Estuary (Bay-Delta) and in the Palo Verde Valley (Imperial County), Metropolitan and its lessees could apply for grants from these funds to demonstrate climate-friendly agricultural using innovative practices and technologies. Additionally, Metropolitan and its member agencies could potentially apply for grant funds under AB 296 once eligibility criteria is defined, which could benefit operations by reducing GHG emissions that may otherwise require costly mitigation.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 44813, dated March 12, 2002, the Board adopted policy principles on Global Climate Change and Water Resources Planning, expressing Metropolitan's support for further research into the potential water resource and quality effects of global climate change, and support for reasonable, economically viable, and technologically feasible management strategies and efforts for reducing the potential impacts of global climate change to water resources.

By Minute Item 45208, dated February 2003, the Board adopted policy principles regarding Water Conservation, expressing Metropolitan's support for studies and actions to improve agricultural water use efficiency.

By Minute Item 46637, dated April 11, 2006, the Board adopted policy principles regarding long-term actions for the Sacramento-San Joaquin River Delta as described in the Revised Board Letter 8-3, as described in the revised letter signed by the General Manager on April 4, 2006, expressing Metropolitan's support for sustainable agriculture in the Delta.

By Minute Item 47598, dated August 19, 2008, the Board adopted the Energy Policy Principles, expressing Metropolitan's support for energy conservation through water conservation, and the promotion of effective and equitable legislation and regulations regarding energy-related climate change and sustainability issues.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Public Resources Code Section 21065 and Section 15378(b)(1) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to express support for AB 296 (Cooley, D-Rancho Cordova): Climate change: Climate Innovation Grant Program: voluntary tax contributions; and AB 409 (Limón, D-Santa Barbara): Climate change: agriculture: Agricultural Climate Adaptation Tools Program: grants.

Fiscal Impact: There is no direct fiscal impact to Metropolitan.

Business Analysis: If chaptered, AB 296 and AB 409 may indirectly benefit Metropolitan by establishing grant programs to develop planning tools and technologies that would reduce GHG emissions and improve agricultural land use practices and promote sustainable agriculture.

Option #2

Take no position on AB 296 and AB 409.

Fiscal Impact: There is no direct fiscal impact to Metropolitan.

Business Analysis: If chaptered, AB 296 and AB 409 may indirectly benefit Metropolitan by establishing grant programs to reduce GHG emissions and to develop planning tools and technologies that would improve agricultural land use practices and promote sustainable agriculture.

Staff Recommendation

Option # 1

	7/1/2019
_____ Susan Sims External Affairs, Manager	Date

	7/1/2019
_____ Jeffrey Kightlinger General Manager	Date

Attachment 1 – Assembly Bill 296 as amended on May 1, 2019

Attachment 2 – Assembly Bill 409 as amended on June 26, 2019

AMENDED IN ASSEMBLY MAY 1, 2019
AMENDED IN ASSEMBLY APRIL 25, 2019
AMENDED IN ASSEMBLY APRIL 22, 2019
AMENDED IN ASSEMBLY MARCH 20, 2019
CALIFORNIA LEGISLATURE—2019—20 REGULAR SESSION

ASSEMBLY BILL**No. 296**

Introduced by Assembly Member Cooley
(Principal coauthor: Senator Stern)
(Coauthors: Assembly Members Eduardo Garcia and Mayes)

January 28, 2019

An act to add and repeal Part 3.6.5 (commencing with Section 71140) of Division 34 of the Public Resources Code, and to add and repeal Article 26 (commencing with Section 18915) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to climate change, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 296, as amended, Cooley. Climate change: Climate Innovation Grant Program: voluntary tax contributions.

Existing law requires the State Energy Resources Conservation and Development Commission to develop and implement the Electric Program Investment Charge program for the purpose of awarding funds to projects that may lead to technological advancement and breakthroughs to overcome barriers that prevent the achievement of the state's statutory energy goals and that may result in a portfolio of projects that are strategically focused and sufficiently narrow to make advancement on the most significant technological challenges.

Existing law authorizes an individual to contribute amounts in excess of their personal income tax liability for the support of specified funds. Under existing law, there are general administrative provisions applicable to these voluntary contributions, which, among other things, provide for the disbursement of contributions following the repeal of the fund's provisions and require undesignated funds to be transferred to the General Fund.

Existing law requires any new or extended voluntary contribution to include the words "voluntary tax contribution" in the name of the fund, to require the administering agency to include specified information about the fund on its internet website, to continuously appropriate from the fund the contributions made to the administering agency, to set a minimum contribution amount for the continuation of any voluntary tax contribution on the tax return form, and to include a generally applicable repeal date for a voluntary tax contribution.

This bill would establish the Climate Innovation Grant Program, to be administered by the Strategic Growth Council. The program would award grants for the development and research of new innovations and technologies that either reduce emissions of greenhouse gases or address impacts caused by climate change. The bill would establish the Climate Innovation Fund, a special fund, in the State Treasury and would continuously appropriate the moneys in the fund to the council for purposes of the program. The bill would repeal the program on January 1, 2031.

This bill would allow an individual to designate on their tax return that a specified amount in excess of their personal income tax liability be transferred to the Climate Innovation Voluntary Tax Contribution Account, which would be created by this bill. The bill would conform with those aforementioned administrative requirements by continuously appropriating those funds to the Franchise Tax Board and the Controller for administrative costs and to the Climate Innovation Fund, as specified. The bill would also conform by requiring the Strategic Growth Council to comply with certain internet website reporting requirements. The bill would repeal these provisions as of December 1 of the year that the minimum contribution amount of \$250,000 is not met or by the specified repeal date. By continuously appropriating these funds, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) Climate change poses a serious threat to public health,
4 natural resources, the environment, and the economic well-being
5 of California. Adverse impacts of climate change have led to
6 increased frequency of extreme weather events, such as drought,
7 heat, fire, and flooding.

8 (2) Potential further impacts include the exacerbation of air
9 quality problems, a reduction in the quality and supply of water
10 to the state from the Sierra snowbank, a rise in sea levels resulting
11 in the displacement of thousands of coastal businesses and
12 residences, damage to marine ecosystems and the natural
13 environment, and an increase in the incidences of infectious
14 diseases, asthma, and other health-related problems.

15 (3) As droughts and fires have become more severe, ecosystems
16 have become stressed, negatively impacting the quality of
17 California water, air, and soil. With California's growing
18 population and economy, climate change will further strain water
19 supplies and electricity generation capacity throughout the state.

20 (4) This will have detrimental effects on some of California's
21 largest industries, including agriculture, wine, tourism, skiing,
22 recreational and commercial fishing, and forestry unless steps are
23 taken to reduce emissions of greenhouse gases, criteria air
24 pollutants, and other contaminants, and clean and efficient energy
25 and transportation solutions are generated.

26 (b) It is the intent of the Legislature to do all of the following:

27 (1) To minimize current and future risks posed by climate
28 change to human health and safety, quality of life, economic
29 growth, ecosystems, and the natural environment.

30 (2) To support climate change adaptation and resilience.

31 (3) To spur innovation and new technologies that neutralize or
32 remove contaminants and emissions from the environment through
33 research and development projects that do any of the following:

34 (A) Contribute to permanent and safe sequestration of
35 greenhouse gases and carbon storage.

36 (B) Contribute to permanent and safe removal of criteria air
37 pollutants.

38 (C) Contribute to a clean, reliable, and affordable electric grid.

4

1 (D) Contribute to clean, reliable, and affordable transportation
2 solutions.

3 (E) Address water quality and reliability issues that reduce
4 environmental impacts in an affordable manner, including, but not
5 limited to, promoting improved water quality, improved water
6 supply reliability, or reduced flood risk and enhancing fish and
7 wildlife habitat in an affordable manner.

8 (F) Address soil quality issues in an affordable manner,
9 including, but not limited to, addressing crop, plant, and soil health
10 and quality, animal production, and other agricultural sector-related
11 issues that enable ~~an affordable~~ and a sustainable environment.

12 (4) To address cross-cutting research needs that augment and
13 fill gaps in current research.

14 (5) To ~~implement~~ *implement*, across multiple ~~sectors~~ *sectors*,
15 projects that do the following:

16 (A) Contribute to permanent and safe sequestration of
17 greenhouse gases and carbon storage.

18 (B) Contribute to permanent and safe removal of criteria air
19 pollutants.

20 (C) Contribute to a clean, reliable, and affordable electric grid.

21 (D) Contribute to clean, reliable, and affordable transportation
22 solutions.

23 (E) Address water quality and reliability issues that reduce
24 environmental impacts in an affordable manner, including, but not
25 limited to, promoting improved water quality, improved water
26 supply reliability, or reduced flood risk and enhancing fish and
27 wildlife habitat in an affordable manner.

28 (F) Address soil quality issues in an affordable manner,
29 including, but not limited to, addressing crop, plant, and soil health
30 and quality, animal production, and other agricultural sector-related
31 issues that enable ~~an affordable~~ and a sustainable environment.

32 SEC. 2. Part 3.6.5 (commencing with Section 71140) is added
33 to Division 34 of the Public Resources Code, to read:

34

35 PART 3.6.5. CLIMATE INNOVATION ACT

36

37 CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

38

39 71140. This part shall be known, and may be cited, as the
40 Climate Innovation Act.

5

1 71140.1. For purposes of this part, the following definitions
2 apply:

3 (a) "Council" means the Strategic Growth Council established
4 pursuant to Section 75121.

5 (b) "Fund" means the Climate Innovation Fund established
6 pursuant to Section 71142.

7 (c) "Program" means the Climate Innovation Grant Program
8 established pursuant to Section 71141.

9

10 CHAPTER 2. CLIMATE INNOVATION GRANT PROGRAM

11

12 71141. (a) There is hereby established the Climate Innovation
13 Grant Program to be administered by the council.

14 (b) ~~The Beginning in June 2021,~~ the program shall provide
15 grants through a competitive process for the development and
16 research of new innovations and technologies that either reduce
17 emissions of greenhouse gases or address the impacts of climate
18 change. The grants may fund the development and research of new
19 innovations and technologies that do, but are not limited to doing,
20 any of the following:

21 (1) Contribute to permanent and safe sequestration of greenhouse
22 gases and carbon storage.

23 (2) Contribute to permanent and safe removal of criteria air
24 pollutants.

25 (3) Contribute to a clean, reliable, and affordable electric grid.

26 (4) Contribute to clean, reliable, and affordable transportation
27 solutions.

28 (5) Address water quality and reliability issues that reduce
29 environmental impacts in an affordable manner, including, but not
30 limited to, promoting improved water quality, improved water
31 supply reliability, or reduced flood risk and enhancing fish and
32 wildlife habitat in an affordable manner.

33 (6) Address soil quality issues in an affordable manner,
34 including, but not limited to, addressing crop, plant, and soil health
35 and quality, animal production, and other agricultural sector-related
36 issues that enable ~~an affordable and~~ a sustainable environment.

37 (c) The grants provided pursuant to the program may serve as
38 a matching fund for a project.

39 71141.1. (a) The council shall ~~develop~~ *do both of the*
40 *following:*

6

1 (1) *Develop* a solicitation and evaluation criteria for project
2 proposals and shall establish the qualifications of grant applicants.

3 (2) *Develop programming that fosters market facilitation and*
4 *other efforts that accelerate the adoption and deployment of*
5 *projects funded by the fund.*

6 (b) The evaluation criteria shall include all of the following:

7 (1) A competitive process to evaluate the merits and likelihood
8 of success of each project ~~proposal~~ *proposal, including technical*
9 *and market acceleration facilitation considerations.*

10 (2) A definition of what is considered a new innovation or
11 technology.

12 (3) An explanation of how affordability is used in the evaluation
13 criteria.

14 (4) Provisions to ensure all projects provide clear public benefits.

15 71141.2. (a) The council shall submit an annual finance report
16 for the program to the Legislature.

17 (b) The report required to be submitted to the Legislature shall
18 be submitted in compliance with Section 9795 of the Government
19 Code.

20 71141.3. The chair of the council shall, upon request, appear
21 before the Joint Committee on Climate Change Policies to report
22 on the status and accomplishment of the program.

23 71141.4. (a) The council may seek private donations and
24 publicly available moneys for purposes of the program.

25 (b) The council shall provide contemporaneous written
26 acknowledgment to a donee for any contributions to the program
27 the council receives for purposes of any deductions otherwise
28 allowed to the donee as a charitable contribution under Article 6
29 (commencing with Section 17201) of Chapter 3 of Part 10 of
30 Division 2 of the Revenue and Taxation Code or under Article 1
31 (commencing with Section 24341) of Chapter 7 of Part 11 of
32 Division 2 of the Revenue and Taxation Code.

33

34 CHAPTER 3. CLIMATE INNOVATION FUND

35

36 71142. (a) There is hereby established in the State Treasury
37 the Climate Innovation Fund. Notwithstanding Section 13340 of
38 the Government Code, moneys in the fund are hereby continuously
39 appropriated without regards to fiscal years to the council for
40 purposes of the program.

7

1 (b) (1) Moneys received pursuant to Section 71141.4 shall be
2 deposited in the fund.

3 (2) General fund moneys shall not be deposited into the fund.

4 (c) Of the moneys appropriated for purposes of the program,
5 up to 10 percent of the moneys may be expended by the council
6 to administer the program, and to solicit donations or seek publicly
7 available moneys for the program.

8

9

CHAPTER 4. REPEALER

10

11 71143. This part shall remain in effect only until January 1,
12 2031, and as of that date is repealed.

13 SEC. 3. Article 26 (commencing with Section 18915) is added
14 to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation
15 Code, to read:

16

17

Article 26. Climate Innovation Voluntary Tax Contribution
18 Account

19

20 18915. (a) An individual may designate on the tax return that
21 a contribution in excess of the taxpayer's personal income tax
22 liability, if any, be made to the Climate Innovation Voluntary Tax
23 Contribution Account, which is established by Section 18916, to
24 be used for the purposes specified in the Climate Innovation Act
25 (Part 3.6.5 (commencing with Section 71140) of Division 34 of
26 the Public Resources Code). That designation is to be used as a
27 voluntary contribution on the tax return.

28 (b) The contribution shall be in full dollar amounts and may be
29 made individually by each signatory on a joint return.

30 (c) A designation under subdivision (a) shall be made for any
31 taxable year on the original return for that taxable year, and once
32 made shall be irrevocable. If payments and credits reported on the
33 return, together with any other credits associated with the
34 taxpayer's account, do not exceed the taxpayer's tax liability, the
35 return shall be treated as though no designation has been made.

36 (d) When another voluntary contribution designation is removed
37 from the tax return, or as soon as space is available, the Franchise
38 Tax Board shall revise the form of the return to include a space
39 labeled the "Climate Innovation Voluntary Tax Contribution
40 Account" to allow for the designation permitted under subdivision

8

1 (a). The form shall also include in the instructions information that
2 the contribution may be in the amount of one dollar (\$1) or more
3 and that the contribution shall be used for the purposes specified
4 in the Climate Innovation Act (Part 3.6.5 (commencing with
5 Section 71140) of Division 34 of the Public Resources Code),
6 including providing grants through a competitive process for the
7 development and research of new climate innovations and
8 technologies.

9 (e) A deduction shall be allowed under Article 6 (commencing
10 with Section 17201) of Chapter 3 of Part 10 for any contribution
11 made pursuant to subdivision (a).

12 18916. There is hereby established in the Climate Innovation
13 Fund established pursuant to Section 71142 of the Public Resources
14 Code the Climate Innovation Voluntary Tax Contribution Account
15 to receive contributions made pursuant to Section 18915. The
16 Franchise Tax Board shall notify the Controller of both the amount
17 of money paid by taxpayers in excess of their tax liability and the
18 amount of refund money that taxpayers have designated pursuant
19 to Section 18915 to be transferred to the Climate Innovation
20 Voluntary Tax Contribution Account. The Controller shall transfer
21 from the Personal Income Tax Fund to the Climate Innovation
22 Voluntary Tax Contribution Account an amount not in excess of
23 the sum of the amounts designated by individuals pursuant to
24 Section 18915 for payment into that fund.

25 18917. (a) Notwithstanding Section 13340 of the Government
26 Code, all moneys transferred to the Climate Innovation Voluntary
27 Tax Contribution Account pursuant to Section 18915 shall be
28 continuously appropriated and allocated as follows:

29 (1) To the Controller and the Franchise Tax Board for
30 reimbursement of all costs incurred by the Controller and the
31 Franchise Tax Board in connection with their duties under this
32 article.

33 (2) The balance to the Climate Innovation Fund for the purposes
34 described in Section 71141 of the Public Resources Code.

35 (b) All moneys allocated pursuant to paragraph (2) of
36 subdivision (a) may be carried over from the year in which they
37 were received and encumbered in any following year.

38 18918. The Strategic Growth Council established pursuant to
39 Section 75121 of the Public Resources Code shall comply with

9

1 the internet website reporting requirements described in Section
2 18873.

3 18919. (a) Except as otherwise provided in subdivision (b),
4 this article shall remain in effect only until January 1 of the seventh
5 calendar year following the first appearance of the Climate
6 Innovation Voluntary Tax Contribution Account on the personal
7 income tax return and is repealed as of December 1 of that year.

8 (b) (1) By September 1 of the second calendar year and each
9 subsequent calendar year that the Climate Innovation Voluntary
10 Tax Contribution Account appears on the tax return, the Franchise
11 Tax Board shall determine whether the amount of contributions
12 estimated to be received during the calendar year will equal or
13 exceed the minimum contribution amount determined by the
14 Franchise Tax Board for the calendar year as described in
15 paragraph (3). The Franchise Tax Board shall estimate the amount
16 of contributions to be received by using the actual amounts received
17 and an estimate of the contributions that will be received by the
18 end of that calendar year.

19 (2) If the Franchise Tax Board determines that the amount of
20 the contributions estimated to be received during a calendar year
21 will not at least equal the minimum contribution amount for the
22 calendar year, this article shall be inoperative with respect to
23 taxable years beginning on or after January 1 of that calendar year
24 and shall be repealed on December 1 of that year.

25 (3) For purposes of this section, the minimum contribution
26 amount for a calendar year means two hundred fifty thousand
27 dollars (\$250,000) for the second calendar year after the first
28 appearance of the Climate Innovation Voluntary Tax Contribution
29 Account on the personal income tax return and the following
30 calendar years.

AMENDED IN SENATE JUNE 26, 2019

AMENDED IN SENATE JUNE 13, 2019

AMENDED IN ASSEMBLY APRIL 1, 2019

AMENDED IN ASSEMBLY MARCH 18, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL**No. 409**

Introduced by Assembly Member Limón

February 7, 2019

An act to add Part 4.8 (commencing with Section 71370) to Division 34 of the Public Resources Code, relating to climate change.

LEGISLATIVE COUNSEL'S DIGEST

AB 409, as amended, Limón. Climate change: agriculture: Agricultural Climate Adaptation Tools Program: grants.

Existing law establishes the Integrated Climate Adaptation and Resiliency Program to be administered by the Office of Planning and Research to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as specified. Existing law requires the office to coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities. Existing law establishes the Transformative Climate Communities Program and a regional climate collaborative program to be administered by the Strategic Growth Council to award grants and provide technical assistance, respectively, to facilitate the response of local communities to climate change.

AB 409

— 2 —

This bill would require the council to provide guidance in the development of, to coordinate the activities of member agencies of the council for, and to designate a state agency or department to administer, a grant program, known as the Agricultural Climate Adaptation Tools Program, as specified, to provide funding for activities that include development of specified planning tools, to be available in the public domain, for adapting to climate change *and developing resiliency strategies* in the agricultural sector, ~~conducting using the best available science, as specified.~~ *The bill would require the council to conduct* specified pilot projects in the central valley, central coast, and desert regions of the state, and ~~holding~~ *hold* trainings for technical assistance providers on how to use the specified planning ~~tools.~~ *tools, with an emphasis on meeting the needs of small and moderately scaled farmers and ranchers, socially disadvantaged farmers and ranchers, and female farmers and ranchers.* The bill would require the council, no later than June 30, 2020, to make available, upon appropriation, up to \$2,000,000 to fund the grant program, as specified. The bill would require the council to provide to the office the planning tools developed as part of the grant program for incorporation into the clearinghouse for climate adaptation information, and information on any projects funded pursuant to these provisions for possible incorporation into the clearinghouse for climate adaptation information.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) The state's more than 77,000 farms and ranches are uniquely
- 4 vulnerable to the impacts of climate change, including rising
- 5 temperatures, increased occurrences of extreme weather events,
- 6 constrained water resources, new pest and disease pressures,
- 7 reduced winter chilling hours, and rising sea levels.
- 8 (2) Agricultural climate change adaptation *and resiliency*
- 9 strategies provide numerous agronomic, environmental, and public
- 10 health benefits, including increased water retention in soils,
- 11 groundwater recharge, energy and water savings, improved crop
- 12 and forage yields, improved air and water quality, and enhanced
- 13 wildlife habitat.

1 (3) The state and the University of California have invested
2 significant resources in research to better understand agriculture's
3 unique vulnerabilities to climate change and identify strategies to
4 adapt to climate change.

5 (4) To make this information useful and effective, it must be
6 presented to farmers and ranchers by trusted sources in a way that
7 recognizes and accounts for their management objectives, existing
8 management practices, location, crops, available resources,
9 knowledge, values, experiences, spoken language, culture, and
10 other aspects of their complex business operations and surrounding
11 social and ecological systems.

12 (5) Farmers and ranchers need science-based, farm-level
13 planning tools and technical assistance from trusted providers to
14 help them assess relevant climate risks and adaptation strategies
15 and integrate them into their business decisionmaking and
16 succession planning processes. These needs are especially
17 applicable to small and moderately scaled farmers and ranchers,
18 socially disadvantaged farmers and ranchers, and female farmers
19 and ranchers who do not have equal access to technical assistance
20 and, on average, have fewer resources at their disposal to adapt to
21 climate change.

22 (6) The state has a long-established infrastructure of public and
23 private technical assistance providers, including resource
24 conservation districts, the University of California Cooperative
25 Extension, nonprofit organizations, and certified crop advisers and
26 pest control advisers, to advise farmers and ranchers on agronomic
27 practices, resource conservation, and other agricultural management
28 improvements.

29 (7) These technical assistance providers are in a position to work
30 with farmers and ranchers to identify appropriate agricultural
31 climate adaptation *and resiliency* strategies, determine the
32 feasibility of climate adaptation *and resiliency* strategies, design
33 on-farm climate adaptation *and resiliency* projects, and assist in
34 project implementation. But technical assistance providers need
35 additional training to learn how to most effectively incorporate
36 information about climate change risks and adaptation strategies
37 into their work with farmers and ranchers.

38 (b) It is, therefore, the intent of the Legislature to establish a
39 program to ensure farmers and ranchers have effective farm-level,
40 science-based climate adaptation *and resiliency* planning tools and

AB 409

— 4 —

1 trained technical assistance providers to help them assess relevant
2 climate change risks and adopt climate adaptation strategies.

3 SEC. 2. Part 4.8 (commencing with Section 71370) is added
4 to Division 34 of the Public Resources Code, to read:

5

6 PART 4.8. CLIMATE CHANGE IN THE AGRICULTURAL
7 SECTOR

8

9 71370. For purposes of this part, the following terms have the
10 following meanings:

11 (a) "Council" means the Strategic Growth Council.

12 (b) "Office" means the Office of Planning and Research.

13 (c) "Program" means the Agricultural Climate Adaptation Tools
14 Program.

15 71372. (a) (1) (A) The council shall provide guidance in the
16 development of the program, and coordinate the activities of
17 member agencies of the council for the program.

18 ~~(A)~~

19 (B) The council may designate a state agency or department to
20 administer the program for the disbursement of grants.

21 ~~(B)~~

22 (C) Moneys appropriated to the council may be used by a state
23 agency or department designated by the council for that state
24 agency's or department's costs for administration of the program.

25 (2) The program shall provide funding for all of the following:

26 (A) Development of planning tools for adapting to climate
27 change in the agricultural sector that are ~~science based and~~
28 applicable at the farm-level. *level and that use the best available*
29 *science, including, but not limited to, the state's climate*
30 *assessments pursuant to Executive Order S-03-05 and the state's*
31 *climate adaptation strategy pursuant to Section 71153. The*
32 planning tools shall help farmers and ranchers do all of the
33 following:

34 (i) Assess relevant climate change impacts and risks affecting
35 their farm or ranch business, including, but not limited to,
36 increasingly variable and extreme weather, droughts and declining
37 water resources, increased heat impacts on employees, crops and
38 livestock, declining winter chill hours, sea level rise, wildfire and
39 smoke, shifts in crops and varieties grown in the region, new and

1 increased pest and disease pressures, and impacts to on-farm
2 wildlife habitat.

3 (ii) Consider appropriate adaptation *and resiliency* strategies
4 for their operations, based on an assessment of climate change
5 impacts and risks affecting their farm or ranch business and
6 surrounding community, including, but not limited to, soil, water,
7 forage, and habitat management for drought, pest, wildfire and
8 flood resilience, crop shifting, and income diversification.

9 (iii) Integrate those impacts, risks, and strategies into their
10 business decisionmaking and succession planning based on their
11 unique management objectives, existing management practices,
12 location, crops, available resources, knowledge, values,
13 experiences, and culture.

14 (B) Conducting pilot projects in the central valley, central coast,
15 and desert regions of the state in which the grant recipients shall
16 collaborate with local technical assistance providers, farmers, and
17 ranchers to test and improve the new adaptation *and resiliency*
18 planning tools developed pursuant to subparagraph (A).

19 (C) Holding trainings, upon completion of the pilot projects,
20 for technical assistance providers on how to use the planning tools
21 developed pursuant to subparagraph (A) and effective
22 communication strategies for discussing climate change risks and
23 adaptation strategies with culturally diverse farmers and ranchers.

24 (3) No later than June 30, 2020, the council shall make available,
25 upon appropriation by the Legislature, up to two million dollars
26 (\$2,000,000) to fund the program.

27 (b) In developing the planning tools as part of the program, the
28 grant recipients shall draw on available expertise and research
29 findings from the University of California Division of Agriculture
30 and Natural Resources and other qualified sources and shall consult
31 with and involve farmers and ranchers in their development, to
32 the extent feasible.

33 (c) When developing and adopting the program guidelines and
34 criteria, the council shall include all of the following:

35 (1) The lead grant applicant shall demonstrate expertise in
36 agricultural climate adaptation *and resiliency* research and
37 extension. Eligible applicants shall include resource conservation
38 districts, the University of California, the California State
39 University, United States Department of Agriculture researchers,
40 and qualified nonprofit organizations.

AB 409

— 6 —

1 (2) Priority shall be given to joint applications that take a
2 collaborative and inclusive approach that includes both of the
3 following:

4 (A) Participation by farmers, ranchers, technical assistance
5 providers, county agricultural commissioners, and agricultural
6 industry organizations, such as commodity groups.

7 (B) Accounting for the unique needs of small and moderately
8 scaled farmers and ranchers, socially disadvantaged farmers and
9 ranchers, and female farmers and ranchers.

10 (3) Grants proposals shall include, at a minimum, all of the
11 following:

12 (A) A description of the planning tools to be developed.

13 (B) A timeline, plan, and measurable outcomes for planning
14 tool development, pilot projects, trainings, and evaluation.

15 (C) A statement of qualifications of the lead grant applicant.

16 (d) The council shall consult with the farm equity adviser in the
17 Department of Food and Agriculture in developing the program
18 and ensuring the planning tools and trainings for technical
19 assistance providers meet the needs of small and moderately scaled
20 farmers and ranchers, socially disadvantaged farmers and ranchers,
21 and female farmers and ranchers.

22 (e) (1) The planning tools developed as part of the program
23 shall be in the public domain. The council shall provide the
24 planning tools to the office, and the office shall incorporate the
25 planning tools into the clearinghouse for climate adaptation
26 information established pursuant to Section 71360. The council
27 shall also provide information to the office on any projects funded
28 pursuant to this part, which the office shall consider for
29 incorporation into the clearinghouse for climate adaptation
30 information.

31 (2) The council shall provide ongoing support for regular
32 updating of planning tools developed as part of the program to
33 incorporate the best available science and improve user friendliness,
34 as well as the ongoing promotion of the planning tools.

O