

California Department of Forestry & Fire Protection (CAL FIRE)



Forest Health Grants Advance Payment Report

Report to the Legislature
May 2, 2023

CAL FIRE's Forest Health Grants Advance Payments Report as Required by Public Resources Code 4799.05

Executive Summary

Public Resources Code (PRC) 4799.05 gives the Department of Forestry and Fire Protection (CAL FIRE) the authority to enter into grant agreements with specified organizations to complete forest health projects. The Department is authorized by statute to provide advance payments to specified organizations with the caveat that no single advance payment may exceed 25 percent of the total grant award.

Per PRC 4799.05(a)(2)(C)(i), CAL FIRE is required to provide a report to the Legislature on the outcome of the Department's use of advance payments. This report complies with these requirements.

CAL FIRE's Forest Health Program funds restoration and reforestation activities to build resilience to catastrophic disturbance events in the State's forests. Since 2017, this Program has awarded \$453 million to crucial landscape scale projects in California.

CAL FIRE's Forest Health Research Program supports scientific studies that provide critical information to individuals, resource agencies, fire management organizations and policymakers across the State on a variety of topics related to forest health and management. Since 2018, this Program has awarded over \$19 million to grantees.

Since 2019, advance payments on grant awards as authorized under PRC 4799.05 have enabled 43 grantees to access needed resources for forest health and forest health research work. CAL FIRE has received feedback from grantees stating that they would be unable to operate without advances from the Department.

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Background

California Public Resources Code (PRC) 4799.05 authorizes the Department of Forestry and Fire Protection (CAL FIRE) to enter into grant agreements with local and regional partners, including but not limited to private or nongovernmental entities, Native American tribes, or local, State, and federal public agencies to complete forest health projects. Subsection (a)(2) authorizes CAL FIRE to advance payments of up to 25% to payments to a nonprofit organization, a local agency, a special district, a private forest landowner, or a Native American tribe and requires report on its use.

This report details the programs issuing advances per the referenced statute, number of times advances were issued, and outcome of the Department's use of advance payments.

Forest Health and Forest Health Research Grant Programs

The CAL FIRE Forest Health Program funds restoration and reforestation activities at a landscape scale to build resilience to catastrophic disturbance events in California's forests. Funded objectives include reforestation, prescribed fire and fire reintroduction, pest management, and biomass utilization. Projects funded through this program collectively contribute to several state goals such as climate change mitigation, community fire protection, rural economic development, water & air quality improvement. Forest Health has awarded \$453,179,532.57 to grantees since 2017.

The CAL FIRE Forest Health Research Program supports scientific studies that provide critical information and tools to forest landowners, resource agencies, fire management organizations and policy makers across California on a variety of topics related to forest health and management. Forest Health Research has awarded \$19,831,144.14 to grantees since the program began in 2018.

Use of Advance Payments (advances)

About 40% of Forest Health grant awards and 7% of Forest Health Research grant awards have received at least 1 advance payment. See Table 1 on the following page for a breakdown of Forest Health Grant Program awards and advances by year of the award. A breakdown of Forest Health Research Grant Program awards and advances by year of the award is pictured in Table 2.

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Table 1. Forest Health Grant Program Awards and Advances by Year of Award

Award Year	Number of Awarded Grants	Number of Projects with Current or Past Advance	Percentage of Projects with Current or Past Advance
2017-18	17	7	41.20%
2018-19	13	10	76.90%
2019-20	21	9	42.90%
2020-21	39	15	38.50%
2021-22	18	1	5.60%
Total	108	42	Average 38.90%

Table 2. Forest Health Research Grant Program Awards and Advances by Year of Award

Award Year	Number of Awarded Grants	Number of Projects with Current or Past Advance	Percentage of Projects with Current or Past Advance
2018-19	10	0	0.00%
2019-20	15	1	6.67%
2020-21	15	0	0.00%
2021-22	29	0	0.00%
Total	69	1	Average 1.4%

Outcomes from Use of Advances

Advance payments authorized under PRC 4799.05 have allowed 43 grantees to expand cashflow for forest health and forest health research work since 2019. This has allowed grantees to pay staff, utilities, contractors, and other costs as they arise rather than 45 days after CAL FIRE receives a complete and valid invoice. While the rate of advance requests for Forest Health grantees varies, on

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average over 1/3 of grantees request advances and benefit from them. Some grantees have stated they could not operate without advances.

For Forest Health Research grants, the United States National Laboratories, housed in the Department of Energy, are required to operate using advanced payments, and cannot invoice in arrears. While very few Forest Health Research grantees request advance payments, one set of important scientific organizations – the US National Laboratories – cannot operate any other way.

CAL FIRE believes these grant advancements have been an important tool for expediting forest health and forest health research projects in the State. Given the success of advance grant payments in this program, CAL FIRE believes all of the programs that promote wildfire resilience that currently offer grant advancements, including Wildfire Prevention Grants, should maintain that authority. If the advance grant payment authority were allowed to sunset on January 1, 2024, as Public Resources Code Section 4124(e)1 currently is written, the impacted programs could see decreased project speed and local capacity.