

# California Department of Forestry & Fire Protection (CAL FIRE)



## Advance Payment Report: Forest Health and Wildfire Prevention Grants

Public Resources Code 705.5

Report to the Legislature

# CAL FIRE's Forest Health and Wildfire Prevention Grants Advance Payments Report as Required by Public Resources Code 705.5

## **Executive Summary**

Public Resources Code (PRC) 705.5 gives the Department of Forestry and Fire Protection (CAL FIRE) the authority to provide advance grant payments to specified organizations to complete forest health and fire prevention 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.

Pursuant to PRC 705.5, 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 Wildfire Prevention Grants program provides funding for wildfire prevention projects and activities in and near wildfire-threatened communities that focus on increasing the protection of people, structures, and communities. Projects funded through this program collectively contribute to several State goals such as climate change mitigation, community fire protection and prevention, rural economic development, and water and air quality improvement. This program has awarded more than \$457 million to grantees since 2017.

From 2017 through December 2022, the Forest Health and Wildfire Prevention Grants programs provided advance payments on grant awards as authorized under PRC 705.5, which enabled 214 grantees to access the necessary resources to complete wildfire prevention and/or forest health projects throughout the State.

CAL FIRE has received feedback from grantees stating that they would be unable to operate without grant payment advances from the Department. The use of grant advances has also been an integral part of the commitment to the Department's Embedding Equity Plan, where CAL FIRE has worked to provide access to funding to diverse communities who likely wouldn't be able to afford to fund the work without these advances.

# CAL FIRE's Forest Health and Wildfire Prevention Grants Advance Payments Report as Required by Public Resources Code 705.5

## **Background**

PRC 4799.05 authorizes CAL FIRE to enter into grant agreements with local and regional partners, including but not limited to private or nongovernmental entities, Native American tribes, and local, State, and federal public agencies to complete forest health projects.

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 and air quality improvement.

PRC 4124.5 required CAL FIRE to create a local assistance grant program to assist in fire prevention activities and enter into grant agreements with local and regional partners, including but not limited to private or nongovernmental entities, Native American tribes, and local, State, and federal public agencies.

The CAL FIRE Wildfire Prevention Grants program provides grants for wildfire prevention projects and activities in and near fire threatened communities that focus on increasing the protection of people, structures, and communities. Funded activities include Hazardous Fuels Reduction, Wildfire Prevention Planning, and Wildfire Prevention Education with an emphasis on improving public health and safety while reducing greenhouse gas emissions.

PRC 705.5 authorizes CAL FIRE to advance payments for certain grant projects of up to 25% of the total grant award to a nonprofit organization, local agency, special district, private forest landowner, or Native American tribe and requires the grantee report on its use.

This report, as required by PRC 705.5, details the programs issuing grant payment advances, along with the number of times advances were issued, and the outcome of the Department's use of those advance payments.

# CAL FIRE's Forest Health and Wildfire Prevention Grants Advance Payments Report as Required by Public Resources Code 705.5

## **Forest Health Grant Program**

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 and air quality improvement. Forest Health has awarded \$453,179,532.57 to grantees since 2017.

## **Use of Advance Payments (advances)**

Nearly 42% of Forest Health grant award recipients have received at least one advance payment. See Table 1 below for a breakdown of Forest Health Grant program awards and advances by Fiscal Year (FY).

**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	41.2%
2018-19	13	10	76.9%
2019-20	21	10	47.6%
2020-21	39	15	38.5%
2021-22	18	3	16.7%
Total	108	45	Average 41.7%

## **Outcomes from Use of Advances**

Advance payments authorized under PRC 705.5 allowed 45 grantees to expand cash flow for forest health work since 2017. This 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 average over 40% of grantees benefit from advance payments. Some grantees have stated they could not operate without advances.

CAL FIRE believes these grant advancements have been an important tool for expediting forest health and related projects in the State.

# CAL FIRE's Wildfire Prevention Grants Advance Payments Report as required by Public Resources Code 705.5

## **Wildfire Prevention Grants Program**

California's Strategic Fire Plan serves as a roadmap for Wildfire Prevention Grants project development. Projects are evaluated based on the overall benefit to reduce the threat of wildfires to people, structures, and communities. CAL FIRE considers the wildfire hazards and risks to an area, the geographic balance of projects, and whether the project is complementary to other wildfire prevention or forest health activities when awarding grants. Disadvantaged communities and low-income communities as defined by Assembly Bill 1550 (Gomez, Ch. 369, Stats. 2016), and projects that demonstrate a carbon benefit by reducing greenhouse gas emissions and contain matching funds will receive additional priority. Funded activities include Hazardous Fuels Reduction, Wildfire Prevention Planning, and Wildfire Prevention Education with an emphasis on improving public health and safety while reducing greenhouse gas emissions.

## **Use of Advance Payments (advances)**

More than 30% of Wildfire Prevention Grant award recipients have received at least one advance payment. See Table 2 below for a breakdown of Wildfire Prevention Grant program awards and advances by FY.

**Table 2. Wildfire Prevention Grants 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	142	58	40.8%
2018-19	66	21	31.8%
2019-20	57	28	49.1%
2020-21	104	31	29.8%
2021-22	193	31	16.1%
Total	562	169	Average 30.1%

## **Outcomes from Use of Advances**

Advance payments authorized under PRC 705.5 allowed 169 grantees to expand cash flow for wildfire prevention projects and activities since 2017. This 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 Wildfire Prevention grantees varies, on average over 30% of grantees benefit from advance payments.

## CAL FIRE's Wildfire Prevention Grants Advance Payments Report as required by Public Resources Code 705.5

The use of grant advances has also been an integral part of the commitment to the Department's Embedding Equity Plan, where CAL FIRE has worked to provide access to funding to diverse communities who likely wouldn't be able to afford to fund the work without these advances. CAL FIRE has aimed to improve the grant program process by developing and implementing best practices that promote transparent, easily understood, and fluid grant program guidelines. As such, CAL FIRE intends on working closely with its diverse partners and entities to co-create and guide the development of State grant programs and help meet their specific needs. CAL FIRE has already identified the benefits of advance funding within these communities and recognize this is one of those needs; a tool to remove barriers and ensure equitable funding of these programs by advancing grant payments.

CAL FIRE acknowledges the importance of supporting grant applicants and awardees through our Embedding Equity Action Plan, to include partnering with experienced grant writers and hosting intimate one-on-one workshops and trainings, to provide technical assistance directly to the communities we serve and access to participate, through dedicated support staff to promote process transparency. Lastly, our goal is to build relationships with locally trusted messengers and community representatives to identify and remove barriers within the grant process; this is a barrier that has been identified and has shown success by authorizing advance funding.

CAL FIRE is confident that its Embedding Equity Action Plan will result in a more equitable grant program process. CAL FIRE looks forward to working together with its community and stakeholders towards a more transparent, accessible, and inclusive grant program process.