

State of California

Natural Resources Agency

## Memorandum

**From:** Wade Crowfoot  
Secretary  
California Natural Resources Agency

**Date:** March 26, 2021

**Telephone:** (916) 653-5000

Thom Porter  
Director  
California Department of Forestry and Fire Protection

**Website:** [www.fire.ca.gov](http://www.fire.ca.gov)

**Subject:** GREENHOUSE GAS REDUCTION FUND – Department of Forestry and Fire Protection

EXPENDITURE RECORD FOR FISCAL YEAR 2020/2021  
Department of Forestry and Fire Protection - Forest Health Grant Program

This Attestation Memorandum documents that the California Natural Resources Agency and the California Department of Forestry and Fire Protection (CAL FIRE) completed the attached Expenditure Record on March 26, 2021 for the Forest Health Grant Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 and with the California Air Resources Board's (CARB) Funding Guidelines for Agencies that Administer California Climate Investments to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to CARB for public posting on the CARB website at: [www.arb.ca.gov/caclimateinvestments](http://www.arb.ca.gov/caclimateinvestments). Questions on this Attestation Memorandum or Expenditure Record may be directed to Helge Eng, CAL FIRE Deputy Director for Resource Management at (916) 653-5000 or [helge.eng@fire.ca.gov](mailto:helge.eng@fire.ca.gov).

Attachment

Signed:



for Wade  
Crowfoot

Wade Crowfoot, Secretary  
California Natural Resources Agency



Thom Porter, Director  
California Department of Forestry and Fire Protection

## CAL FIRE Expenditure Record for Forest Health

**Greenhouse Gas Reduction Fund: Expenditure Record**

Department of Forestry and Fire Protection (CAL FIRE)  
Forest Health

**Authorizing legislation:** Item 3540-003-3228 of the Budget Act of 2020 (Chapter 6, Statutes of 2020) appropriates to Department of Forestry and Fire Protection for \$39.613 million. An additional \$145 million is proposed to be appropriated to CAL FIRE for Forest Health from the Greenhouse Gas Reduction Fund in Budget Act of 2020 and Budget Act of 2021.

**Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.**

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**Agency that will  
administer funding**

- CAL FIRE

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**Amount of  
proposed  
expenditure and  
appropriation  
reference**

- Known expenditure is up to \$39.6 million for Healthy Forests and Fire Prevention, per Section 2, Item 3540-001-3228 of the Budget Act of 2020 (Chapter 6, Statutes of 2020)
- Additional expenditure of up to \$145 million is proposed in the Wildfire and Forest Resilience Budget Change Proposal.

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**Estimated amount  
of expenditures  
for administering  
agency  
administrative  
costs**

- Up to \$8.25 million will be paid from funds in this appropriation.
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## CAL FIRE Expenditure Record for Forest Health

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***If applicable,  
identify laws or  
regulations that  
govern how funds  
will be used***

- AB 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32.
- AB 398 (E. Garcia, Chapter 135, Statutes of 2017) prioritized Healthy Forests for expenditures from the Greenhouse Gas Reduction Fund.
- AB 1550, Gomez, Chapter 369, Statutes of 2016 describes use of GGRF in low-income communities.
- SB 901 (Dodd, Chapter 626, Statutes of 2018) allows certain prescribed fire, thinning, and fuel reduction projects on federal lands to be exempt from California Environmental Quality Act (CEQA) if certain conditions are met.
- Public Resources Code §4799.05 authorizes the Forest Health Program.
- Public Resources Code §12200-12276 establishes and describes the California Forest Legacy Program.
- Civil Code §815.11 describes requirement of easement management plans that accompany conservation easements, which may be purchased through the Legacy Program.
- Title 16 United States Code §2103(c) establishes and describes the federal Forest Legacy Program.

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***Continuation of  
existing  
Expenditure  
Record***

- This is a new Expenditure Record.
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## CAL FIRE Expenditure Record for Forest Health

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***Project type(s)***

- Land conservation
- Land restoration and forest health
- Natural resources and waste diversion
- Climate adaptation and resiliency

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***Describe the projects and/or measures that will be eligible for funding***

- Forest fuel reduction treatments
- Prescribed fire
- Pest management activities
- Reforestation
- Conservation easements and fee title for forest land
- Biomass use
- Planning

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***Intended recipients***

- Federal agencies
- State agencies
- Local public agencies
- Native American tribes
- Private timberland owners
- Resource Conservation Districts
- Non-profit organizations
- Private forest landowners

CAL FIRE Expenditure Record for Forest Health

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***Program structure  
and process for  
selecting projects  
for funding***

- Grant Program: competitive solicitation, evaluation, and selection of projects according to program guidelines.
  - Allocation to contractors (e.g., other agencies, private, or non-profits) based on award or formula by governing body.
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## CAL FIRE Expenditure Record for Forest Health

**Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.**

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***How the expenditure is consistent with the Investment Plan and the Scoping Plan***

- Assembly Bill 1532 requires that GGRF funds be appropriated in a manner that is consistent with the three-year Cap-and-Trade Auction Proceeds Second Investment Plan. The Second Investment Plan recommends that the forest sector perform several actions to achieve positive climate benefits:
  - Protecting forest land at risk of development to more carbon-intensive uses.
  - For forest-related black carbon, improving the health and resiliency of forests and reducing wildfire risk and severity through active management and linking forest management activities to biomass utilization including biomass power and fuel production.
  - Promoting clean, efficient biomass plants located close to forestry activities that use dead or diseased trees removed for fuel as an alternative to open burning the waste in slash piles.
  - Continuing to promote reforestation and management to improve forest health as a mechanism to foster sustainable forests for long-term carbon storage.
- The First Update to the Climate Change Scoping Plan identified key strategies and recommendations to continue reducing greenhouse gas (GHG) emissions and achieve the goals and purposes of Assembly Bill 32. The update to the Scoping Plan recommends:
  - Investment in strategies that ensure forested lands are managed in ways that maximize their carbon benefits while also ensuring landscape resilience; protecting and enhancing the State's water supplies; safeguarding the State's wildlife, fish,

## CAL FIRE Expenditure Record for Forest Health

and  
plants;  
and  
promoting  
sustainab  
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communities.

- The 2017 Climate Change Scoping Plan Update recognizes the need to maintain forests as a carbon sink, necessitating reduction of the risk of wildfire through management activities such as prescribed fire and mechanical fuel reduction, amongst other strategies.

## CAL FIRE Expenditure Record for Forest Health

**Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

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***Describe how expenditures will facilitate the achievement of GHG emission reductions in the State***

- The projects and expenditures improve the stability of forest carbon through activities that promote forest resilience; increase carbon sequestration and storage; reduce mortality and associated GHG emissions from wildfire, drought, and pest damage; and restore impacted landscapes through re-introduction of beneficial fire. This will be done by various activities:
    - Prescribed fire treatments
    - Forest fuel reduction treatments.
    - Pest management activities.
  - Prescribed fire and fuel reduction treatments reduce fuel loading, thereby reducing the risk of large, uncontrolled wildfires and associated GHG emissions while also improving the stability of forest carbon in remaining vegetation and restoring forest ecosystem health. Projects will require that the best, healthiest trees remain for greater carbon sequestration and fire, drought, and pest resistance. While trees may be removed, thinning overstocked stands reduces competition among trees, thereby promoting carbon sequestration and avoiding future mortality.
  - Pest management activities remove trees infected with, and highly susceptible to, diseases and pests to prevent further disease spread and pest infestation. Active management reduces tree mortality and promotes future carbon sequestration by remaining live trees.
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## CAL FIRE Expenditure Record for Forest Health

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***Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained***

- Fuels reduction treatments are an initial source of GHG emissions as biomass is removed from the treatment area. A net GHG benefit from fuel reduction activities occurs as a result of biomass utilization, improved tree growth, and avoided wildfire emissions from an expected reduction in fire severity. The time required to achieve a net GHG benefit will vary depending on site characteristics and treatments employed but are expected to be achieved between 7 and 15 years.
  - Pest control activities result in an immediate net GHG benefit following implementation of the activity (2-5 years to complete) as a result of reduced tree mortality, biomass utilization, improved tree growth. Benefits will continue over a 50-to-80-year period, during which trees protected from above normal tree mortality continue to grow and sequester carbon.
  - Reforestation activities can be an initial source of GHG emissions as a result of site preparation. As tree seedlings grow, however, they accumulate carbon in the form of wood and result in a net GHG benefit during the project life. The timeliness of such planting will depend on available seedling stock. State operations costs will be utilized for maintenance of a seedbank or nursery to enable more rapid planting, thus, more rapid commencement of associated sequestration. The time required to achieve a net GHG benefit will vary depending on the site preparation activities and the species planted but a net benefit is expected to be achieved within 10 years of planting.
  - Conservation easements result in an immediate net GHG benefit by protecting forest land from conversion to non-forest land uses and continue to accrue benefits through maintenance and management practices to increase carbon stocks during the project life.
  - Planning projects will not have emissions benefits until 2-5 years following.
  - Projects must be sustained at least until a net GHG benefit is realized and maintained for 10 years.
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## CAL FIRE Expenditure Record for Forest Health

**Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.**

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***Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency***

Forest health project activities are variable. Specific co-benefits achieved depend on the activities employed. Despite the variation, all forest health projects are expected to result in healthier, more resilient forests that provide numerous co-benefits including:

- Avoiding or reducing the impacts to forests from catastrophic wildfire.
  - Maintaining or improving water quality by impeding erosive runoff that can discharge sediments into streams.
  - Healthy resilient forests that are more resistant to fire and climate change.
  - Well-managed forested landscapes that lessen the risk to life, public safety, and infrastructure.
  - Support biodiversity and wildlife adaptation to climate change and maintain functional wildlife habitat for state and federally listed species.
  - Maintenance of functional refugia and migration corridors for wildlife.
  - Maintenance of the diversity of natural communities that are increasingly stressed by climate change.
  - Maintenance and improvement of air quality.
  - Preservation of cultural resources.
  - Green and bioenergy development.
  - Reduction of fossil fuel-based energy demand.
  - Help develop markets for beneficial uses of the material, including, but not limited to, animal bedding, biochar, cross-laminated timber, mulch, oriented strandboard, pulp, post, shredding, and veneer products.
  - Creation of new and maintenance of existing employment opportunities.
  - Enhanced recreational opportunities and tourism revenue.
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CAL FIRE Expenditure Record for Forest Health

***How the project  
will support other  
objectives of  
AB 32 and related  
statutes***

These funds will support other objectives of AB 32 and related statutes including

- Healthy forests and urban greening
  - Reducing short-lived climate pollutants
  - Improvement of air quality by reduction of wildfire emissions,
  - Introducing or increasing renewable biomass energy production, and
  - Providing opportunities for community institutions and small businesses to participate in and benefit from GHG reduction efforts via issuing grants to nonprofit organizations.
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CAL FIRE Expenditure Record for Forest Health

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***Percentage of total funding that will be expended for projects that are located in and benefit priority populations<sup>1</sup> per CARB guidance***

- CAL FIRE will follow CARB's guidance to target at least 40 percent of the total Forest Health project expenditure received under this fiscal year appropriation to fund projects that provide benefits to low-income communities or low-income households.

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<sup>1</sup> Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

## CAL FIRE Expenditure Record for Forest Health

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***Describe the benefits to priority populations per CARB guidance***

- Projects will reduce the risk of catastrophic wildfire to low-income communities. This is important for air quality and real property risk in local communities.
- Projects will enhance wildlife and native plant occurrence in low-income communities.
- Projects will protect water quantity and quality in low-income communities.
- Projects will contribute to economic development in low-income communities.

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***Explain strategies the administering agency will use to maximize benefits to disadvantaged communities***

Projects that meet disadvantaged community benefit criteria and demonstrate that the project will meaningfully address an important community need will receive additional points in scoring.

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CAL FIRE Expenditure Record for Forest Health

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***Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens***

- CAL FIRE will consult directly with communities through various means including public comments on program guidelines to identify potential burdens. The agency will make programmatic adjustments to eligibility criteria, and ultimately funding decisions, as necessary to avoid potential substantial burdens to disadvantaged and low-income communities.

## CAL FIRE Expenditure Record for Forest Health

**Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.**

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***How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance***

- CAL FIRE will track funding and submit annual status reports.
- CAL FIRE will require funding recipients to maintain records and submit annual status reports.
- CAL FIRE will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the agency's guidelines.

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***Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion***

- CAL FIRE will calculate the net GHG reductions using the Forest Health quantification methodology.
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## CAL FIRE Expenditure Record for Forest Health

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***Type of information that will be collected to document results, consistent with CARB guidance***

- CAL FIRE will compile data from funding recipients on jobs provided, both the quality and quantity, consistent with CARB guidance.
- CAL FIRE will collect or produce data on project location, expenditures, net GHG benefit, treatment type, acres treated, solid wood or biomass products generated from the projects, and other data, as applicable and as specified in CARB guidance.
- CAL FIRE will collect monitoring data on project outcomes for a 10% of projects, consistent with CARB guidance.

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***How the administering agency will report on program status***

- CAL FIRE will report to CARB consistent with CARB guidance. CAL FIRE will provide regular updates on the program, including expenditure amounts, GHG emission reductions, and other benefits as applicable.
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