



CALIFORNIA STRATEGIC GROWTH COUNCIL

ATTESTATION MEMORANDUM

TO: Matthew Botill, Branch Chief
Climate Investments Branch, California Air Resources Board

FROM: Louise Bedsworth, Executive Director
Strategic Growth Council

DATE: October 7, 2019

SUBJECT: **Expenditure Record for Fiscal Year 2019** for the Climate Change
Research Program administered by the Strategic Growth Council

REFERENCE: **Greenhouse Gas Reduction Fund** (Fund #3228): Item 0650-001-3228,
provision 2 of Section 2.00 of the Budget Act of 2019 (Chapter 23 of the
Statutes of 2019)

This Attestation Memorandum documents that the Strategic Growth Council has completed the attached Expenditure Record on October 2019 for the Climate Change Research Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 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. Questions on this Attestation Memorandum or Expenditure Record may be directed to Elizabeth Grassi, at elizabeth.grassi@sgc.ca.gov, or (916) 327-5362.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Louise".

Louise Bedsworth

Attachment: *2019 Climate Change Research Program Expenditure Record*

October 7, 2019

Greenhouse Gas Reduction Fund: Expenditure Record

Strategic Growth Council
Climate Change Research Program

Authorizing legislation: Item 0650-001-3228, provision 2 of Section 2.00 of the Budget Act of 2019 (Chapter 23, Statutes of 2019.) appropriates to the Strategic Growth Council (SGC) \$5,000,000 for the Climate Change Research Program.

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

<input type="checkbox"/> Agency that will administer funding	<ul style="list-style-type: none"> ▪ Strategic Growth Council, in coordination the Office of Planning and Research
<input type="checkbox"/> Amount of proposed expenditure and appropriation reference	<ul style="list-style-type: none"> ▪ The total expenditure is \$5 million, per Item 0650-001-3228, provision 2 of Section 2.00 of the Budget Act of 2019 (Chapter 23, Statutes of 2019).
<input type="checkbox"/> Estimated amount of expenditures for administering agency administrative costs	<ul style="list-style-type: none"> ▪ The total expenditure includes \$250,000 in administrative costs. As directed in the language under provision four of this item, the five percent in operation funds is calculated from the provision item (3).
<input type="checkbox"/> If applicable, identify laws or regulations that govern how funds will be used	<ul style="list-style-type: none"> ▪ AB 1532 (Pérez, Chapter 807, Statutes of 2012), Senate Bill (SB) 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016), AB 1013 (Oberholte, Chapter 48, Statutes of 2019) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32. ▪ The Budget Act of 2019 (AB 74) funds this program cycle and provides the same direction as in past cycles on: grant allocation, research focus, conducting a competitive process, applying established SGC criteria, and ensuring the eligibility of a subset potential applicants. ▪ All funds will be allocated and managed in accordance with these laws.
<input type="checkbox"/> Continuation of existing Expenditure Record	<ul style="list-style-type: none"> ▪ This is the third cycle of the Climate Change Research program, which was originally funded in the 2017 budget cycle. The Expenditure Record for the initial \$11 million cycle of this program was submitted on 22 Feb 2018, and the Expenditure Record for the second cycle (\$18 million) of funding was submitted on 7 Sep 2018.
<input type="checkbox"/> Project type(s)	<ul style="list-style-type: none"> ▪ Climate Change Research

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| <input type="checkbox"/> Describe the projects and/or measures that will be eligible for funding | <ul style="list-style-type: none">▪ Provides grants to research projects focused on reducing carbon emissions and addressing clean energy, and climate adaptation and resiliency. Specifically, grants will be awarded to projects that focus on at least one of three Priority Research Areas defined in the program's Research Investment Plan Update (dated 25 Sep 2018) using the 2019-20 fiscal year budget appropriation:<ul style="list-style-type: none">- Supporting and Protecting Vulnerable Communities from the Impacts of Climate Change- Integrating Land Use, Conservation, and Management into California's Climate Change Programs- Accelerating and Supporting Transitions to Climate Smart Communities▪ Additionally, funded projects are required to collaborate and partner with non-academic entities that possess capacities or expertise in meaningful engagement and articulating the needs of a community, sector or neighborhood (including funding these entities in the project budget) in order to for partners to co-produce research ideas and approaches; take on key roles in engagement, training or translation of scientific findings; provide input into the project direction and decision process; and spur enthusiasm and action outside of academia.. |
| <input type="checkbox"/> Intended recipients | <ul style="list-style-type: none">▪ University of California▪ California State University▪ Federally-funded national laboratories▪ California based private, non-profit colleges & universities▪ Private and not for profit research centers. |
| <input type="checkbox"/> Process for selecting projects for funding | <ul style="list-style-type: none">▪ \$4.75 million: Competitive solicitation, evaluation, and selection of projects according to the program's Research Investment Plan and solicitation guidelines for this cycle of funding. |
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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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| <input type="checkbox"/> How the expenditure is reflected in the Investment Plan and the Scoping Plan | <ul style="list-style-type: none">▪ California's 2017 Climate Change Scoping Plan Update identifies policies based on solid science and identifies additional research needs, while also recognizing the need for flexibility in the face of a changing climate. Ongoing research to better understand systems where our knowledge is weaker will allow for additional opportunities to set targets and identify actionable policies.▪ The Cap-and-Trade Auction Proceeds Third Investment Plan discusses two funding priorities codified in AB1532 (research, development, and partnerships for local and regional program |
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implementation) and in AB 398, (climate adaptation and resiliency, and climate and clean energy research) that are align with the program goals. The Plan also recommends emphasizing meaningful community input in project solicitation and design, and funding both community-wide and small-scale community-led projects that achieve near-term climate and health benefits and contribute to long-term transformation to adaptable and resilient low carbon communities and ecosystems.

- California is committed to further supporting new research on ways to mitigate climate change and how to understand its ongoing and projected impacts.
- California's continuing efforts are vital steps toward minimizing the impact of GHG emissions and a three-pronged approach of reducing emissions, preparing for impacts, and conducting cutting-edge research can serve as a model for action.

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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| <p><input type="checkbox"/> Describe how expenditures will facilitate the achievement of GHG emission reductions in the State</p> | <ul style="list-style-type: none"> ▪ Project expenditures will help California reach its GHG emission reduction goals by focusing on cross-cutting research investments that build community resilience, integrate land use and development considerations, and facilitate the transformation of California communities through outcome-based research. |
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| <p><input type="checkbox"/> Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained</p> | <ul style="list-style-type: none"> ▪ The timeframe for achieving net GHG benefits will vary depending on how quickly this outcome-based research directly connects to enabling climate actions such as on-the-ground action in the community or region; actions that directly reduce GHG emissions via technology development or deployment; or pilot projects. This cycle of the program |
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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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| <p><input type="checkbox"/> Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency</p> | <ul style="list-style-type: none"> ▪ Projects will advance research that support low-income and disadvantaged communities and further equitable outcomes in the implementation of the State's climate change policies and investment; augment, build connections, and fill gaps across State research programs; model meaningful engagement with the research community, community-based organizations and other stakeholders to ensure relevance and utility; advance and develop a common research platform to support climate change planning, |
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	<p>policy development, and implementation across all scales and sectors; leverage existing research funding and policy innovations to accelerate climate change research, innovation, and policy and technology deployment.</p>
<p><input type="checkbox"/> How the project will support other objectives of AB 32 and related amendments</p>	<ul style="list-style-type: none"> ▪ Funded research projects will support AB 32 objectives through diverse avenues, such as maximizing additional environmental and economic co-benefits for California, complementing the State's efforts to improve air quality, and providing opportunities for businesses, schools, and community institutions to participate in and benefit from statewide efforts to reduce GHG emissions. ▪ HSC §38590.1 Identifies legislative priorities for allocating action revenue proceeds, which include climate adaptation and resiliency, and climate and clean energy research (AB 398. 2017, Garcia).
<p><input type="checkbox"/> Percentage of total funding that will be expended for projects that benefit disadvantaged or low-income communities and low-income households per CARB guidance</p>	<ul style="list-style-type: none"> ▪ The administering agency has not established a specific target to expend funds received under this appropriation to fund projects that are located in and providing benefits to AB 1550 populations ▪ This cycle of the program does include a threshold requirement to discuss how the research will benefit low-income or disadvantaged communities.
<p><input type="checkbox"/> Describe the benefits to disadvantaged or low-income communities and low-income households per CARB guidance</p>	<ul style="list-style-type: none"> ▪ Program expenditures, are expected to provide benefits for low-income and disadvantaged communities as identified by HCD and CalEPA.
<p><input type="checkbox"/> Explain strategies the administering agency will use to maximize benefits to disadvantaged communities</p>	<ul style="list-style-type: none"> ▪ The administering agency will prioritize projects that meet disadvantaged and low income community benefit criteria by awarding scores to proposals that discuss how the outcomes will benefit these communities. ▪ Meaningful engagement is a key metric of the merit review for this program. Proposals will be evaluated on its approach addressing an important need and how the proposer incorporates engagement to understand and clarify community benefits from the earliest stages of the project through accessible delivery of findings, data, recommendations and prototypes. This will help maximize benefits and support administering agency efforts to meet, or exceed statutory requirements for expenditures.

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.

<p><input type="checkbox"/> How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance</p>	<p>▪ The administering agency will require funding recipients to maintain records and submit quarterly and annual status reports. In addition, the administering agency 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 administering agency's guidelines.</p>
<p><input type="checkbox"/> Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion. Include citations for references that support methodology</p>	<p>▪ The administering agency will coordinate with CARB to determine how to document GHG emission reductions or co-benefits through qualitative metrics. Administering agency staff will review metrics prepared by project proponents to ensure consistency with methods identified in CARB 2018 guidance.</p>
<p><input type="checkbox"/> Type of information that will be collected to document results, consistent with CARB guidance</p>	<p>▪ The administering agency will collect information on project outcomes for all of the projects, consistent with CARB guidance. Specific metrics for each project will be developed that align with the nine guiding investment principles described in the 2018 California Climate Investments Funding Guidelines document.</p>
<p><input type="checkbox"/> How the administering agency will report on program status</p>	<p>▪ The administering agency will provide regular updates on expenditures, project status, and benefits in reports prepared according to CARB guidance. At a minimum, the reports will include expenditure amounts, quantification of applicable co-benefits, and other metrics yet to be determined. Reports will also include information on how research outcomes for these projects have been linked to practical climate action over a period yet to be determined.</p>
