

Board of Forestry and Fire Protection

INITIAL STATEMENT OF REASONS

“SRA Fire Prevention Fund Grant Program”

**Title 14 of the California Code of Regulations (14 CCR):
Division 1.5, Chapter 13**

INTRODUCTION INCLUDING PUBLIC PROBLEM, ADMINISTRATIVE REQUIREMENT, OR OTHER CONDITION OR CIRCUMSTANCE THE REGULATION IS INTENDED TO ADDRESS (pursuant to GC § 11346.2(b)(1))...NECESSITY (pursuant to GC § 11346.2(b)(1) and 11349(a))....BENEFITS (pursuant to GC § 11346.2(b)(1))

The California Governor signed ABx1 29 (PRC § 4210, et seq.) into law on July 7, 2011. This law levied a fire prevention fee on the owners of structures within the State Responsibility Area (SRA) to fund fire prevention activities. One of the specified activities for that fee is to provide grants to eligible organizations to perform fire prevention projects that reduce the risk and potential impact of wildfire to habitable structures in the SRA. Public Resources Code (PRC) § 4210 et seq requires that money deposited into the SRA Fire Prevention Fund (SRAFPP) be distributed back to their communities of origin proportional to how they were collected.

The problem is that no such grant program currently exists to distribute SRAFPP funds under the Board of Forestry and Fire Protection as required by PRC § 4214(e).

The purpose of the proposed action is create a grant program to distribute any funds appropriated by the Legislature to their communities of origin for fire prevention activities designed to benefit habitable structures within State Responsibility Areas (SRA), including public education, that are provided by counties and other local agencies, including special districts, with state responsibility areas within their jurisdictions.

On **DATE**, the Board took action to authorize a 45-Day Notice, as part of regular rulemaking, for the regulation entitled “SRA Fire Prevention Fund Grant Program.”

The effect of the proposed action is the establishment of a grant program, including applicant requirements, eligible entities, and application evaluation criteria, to distribute grants from the SRA Fire Prevention Fund.

The primary benefit of the proposed action is the ability to fund local fire prevention activities that reduce the effects of fire in the state’s wildlands and watersheds on habitable structures within the SRA.

SPECIFIC PURPOSE OF EACH ADOPTION, AMENDMENT OR REPEAL (pursuant to GOV § 11346.2(b)(1)) AND THE RATIONALE FOR THE AGENCY'S DETERMINATION THAT EACH ADOPTION, AMENDMENT OR REPEAL IS REASONABLY NECESSARY TO CARRY OUT THE PURPOSE(S) OF THE STATUTE(S) OR OTHER PROVISIONS OF LAW THAT THE ACTION IS IMPLEMENTING, INTERPRETING OR MAKING SPECIFIC AND TO ADDRESS THE PROBLEM FOR WHICH IT IS PROPOSED (pursuant to GOV §§ 11346.2(b)(1) and 11349(a) and 1 CCR § 10(b)). *Note: For each adoption, amendment, or repeal provide the problem, purpose and necessity.*

The Board is proposing action to repeal the existing language in § 1665.8 and adopt §§ 1666.0 through 1666.16.

The problem is § 1665.8 is too vague and broad to properly administer a grant program and does not provide the public with any useful information regarding applying for the grant program.

The purpose of the proposed action is to provide unambiguous and transparent information about application eligibility, the application process and requirements, and the application evaluation criteria.

Explanation for why the Proposed Action Duplicates and/or Re phrases Statute and Existing Rules

The proposed action does not duplicate or rephrase statute or existing rules.

Repeal § 1665.8 Grant Program

Repeal of § 1665.8 is to avoid duplication in regulation. The information in this section is included in the sections below that are proposed to be adopted. They have more detail to provide the public with adequate information regarding the grant program. In addition, this section is vague and overly broad. It does not provide the public with sufficient guidance regarding eligibility for the grant, the application requirements, or the evaluation criteria.

Adopt § 1666.0 State Responsibility Area Fire Prevention Fund Grant Program

This section provides general information about the grant program, including how it will be funded and the broad criteria for what types of projects will be funded through the grant. This section provides the general public with information to determine if they may have an appropriate project to compete for funding under this grant program and then if they should continue reading this regulatory section for more details and application instructions.

Adopt § 1666.1 Definitions

This section provides clarity to the general public about how the specified terms are to be interpreted when used within this regulatory section. The included terms were chosen to give specific meanings to words or phrases that were determined to have multiple reasonable interpretations when used in everyday speech. Inclusion of defined terms in this regulatory section allows the reader to understand exactly what is meant in

the regulatory language without the inclusion of additional, duplicative clarifying language each time the term is used.

Adopt § 1666.2 Grant Distribution

§ 1666.2(a) provides the public with the methods that grant funds will be distributed over space and time, consistent with the proportional distribution requirements of the statute.

§ 1666.2(a)(1) The CAL FIRE Unit/Contract County was chosen as the appropriate geographic scale because grant projects will likely be managed by CAL FIRE Unit/Contract County staff, it is the scale at which CAL FIRE generally tracks expenditures, and CAL FIRE conducts wildfire prevention planning at this geographic scale. County boundaries were also considered, but were rejected because some sparsely populated counties, especially in the northeastern portion of the state, may not develop enough funding on a yearly basis to perform meaningful projects. The scale of the county would also add to the administrative workload by splitting available funding into more increments for distribution (58 Counties vs 26 CAL FIRE Units/Contract Counties).

§ 1666.2(a)(2) Seven (7) years was chosen as the appropriate temporal scale to give some flexibility to CAL FIRE to address urgent statewide fuel reduction needs, such as those associated with the current drought induced tree mortality in the Southern Sierras, while providing for other CAL FIRE Units/Contract Counties to be made whole in a predictable time frame. It is also envisioned that there may be years where the proposed projects eligible for funding in any particular geographic area do not fully consume the available funding. Providing a number of years over which the funding levels can be evened out allows for each geographic area to fully realize the proportional benefit they are due. Shorter time periods were considered but rejected as not allowing enough flexibility to address urgent statewide fuel reduction needs. Longer time periods were similarly rejected as not providing in a timely manner the anticipated benefits to communities that may have received a reduced benefit in any given funding year.

§ 1666.2(a)(3) Ten percent (10%) was chosen as the allowable margin of error in recognition that the total grant awards in any given CAL FIRE Unit/Contract County in a funding year are likely to not exactly match the available funds to that CAL FIRE Unit/Contract County. This provision allows for funding to be over or under any given year provided that over time it evens out to be within 10% of the expected benefit. Smaller margins of errors were considered but rejected as difficult to attain administratively. Larger margins of error were rejected as potentially allowing some CAL FIRE Units/Contract Counties to be consistently shortchanged. It was determined that 10% was feasible administratively and would show a good faith effort to provide each CAL FIRE Unit/Contract County the proportional benefit they are due.

§ 1666.2(b)(1-4) provides the general public with the formula that available funding for each CAL FIRE Unit/Contract County will be determined on a yearly basis. Including this provision gives the general public knowledge of the amount of funding that can be

expected to be available for projects in their area in any given year. It is necessary for CAL FIRE to subtract the amount of administrative fees necessary to implement the program to compensate CAL FIRE for the necessary administrative work associated with running a grant program. The percentage of fees is calculated from the prior fiscal year to allow for all fees, including those paid late, to have been accounted for. It was determined that the prior fiscal year would sufficiently represent expected fees to be collected in the current fiscal year as the number of habitable structures in any CAL FIRE Unit/Contract County remains relatively stable in any two (2) consecutive year period. Calculating the percentage to the nearest tenth of a percent would provide accuracy down to the nearest \$10,000 if the entire program is funded at \$10 million (this is the funding level provided to CAL FIRE from the SRAFPF for drought related fire prevention projects in the 2014/15 fiscal year). Past experience with similar fire prevention projects has shown that very few if any projects would apply for grants less than \$10,000, making this an appropriate scale at which to divide funding. Providing the amount of funding available for each CAL FIRE Unit/Contract County to the general public at the time of grant advertisement is intended to provide potential applicants knowledge of the limited funds they will be competing to receive. This knowledge may help potential applicants design appropriate sized projects for the available funding, evaluate their likelihood of success, and help determine the amount of time and resources they want commit to the application process.

§ 1666.2 (c) is necessary to facilitate the proportional distribution goal for this grant program and help ensure the projects funded are spread out geographically from each other. It is also necessary to provide the general public with the maximum grant award so they do not invest time and resources in developing large projects that would not be fully funded by this program. Alternative maximum amounts considered but rejected as being too large and small were \$500,000 and \$100,000.

\$500,000 was determined to have the potential to allocate too high a percentage of total funds available in a single project to the detriment of benefiting other fee payers in other areas of the state. \$100,000 was determined to potentially restrict the scale of projects around some of the larger Wildland Urban Interface (WUI) communities and would add to the administrative workload and costs CAL FIRE would bear to implement the grant program.

Adopt § 1666.3 Applicant Eligibility

§ 1666.3(a)(1) and (5) These paragraphs make specific “counties and other local agencies, including special districts, with state responsibility areas within their jurisdictions” described in PRC 4214(e). This is necessary to provide clear and specific direction to the public to determine if their organization qualifies for this grant program. This list includes organizations that have a history of successfully implementing the types of projects allowed under this grant program, as well as organizations whose mission include protecting human life or property and/or natural resources from wildfire, or whose performance standards are enhanced by proactively managing for wildfire risk.

These paragraphs are necessary to define eligible applicants for the SRAFPF Grant Program. It is necessary to limit the types of entities that can apply for this program and to clearly define them in order to ensure SRAFPF monies are distributed to organizations with a mission related to fire protection or prevention in the SRA and a history of successful related projects and sound financial management.

§ 1666.3(a)(2) and (3) These paragraphs allow Fire Safe Councils, the California Conservation Corps (CCC), and certified local conservation corps to apply for this grant program. Fire Safe Councils, CCC, and local conservation corps programs have a history of successfully planning and implementing the types of projects funded by this grant program and have historically partnered with the Board of Forestry and Fire Protection and CAL FIRE to accomplish this work. Local Fire Safe Councils and Conservation Corps that have been recognized or certified, respectively, by their state-level umbrella organization have a proven track record of successfully implementing the projects supported by the SRAFPF Grant Program with fiscal accountability and transparency.

§ 1666.3(a)(4) This section allows non-profit organizations under Section 501(c)(3) of the federal Internal Revenue Code to apply for grant funding through this program. While the Board believes that it is most likely qualified applicants will be from the pool of eligible applicants identified in § 1666.3(a)(1), (2), and (3), it also believes allowing additional non-profit organizations not specifically listed above will broaden the scope of this grant program while still ensuring the fiscal accountability that 501(c)(3) status requires.

§ 1666.3(b) This subsection clarifies which organizations and persons are not eligible for funding under this grant program. Restricting which organizations and persons may apply for funding ensures the SRAFPF monies are being distributed to organizations with a with a mission related to fire protection or prevention in the SRA and a history of successful related projects and sound financial management.

§ 1666.3(b)(1) and (2) State or federal agencies and privately held for-profit companies or corporations are not eligible for this grant program because, pursuant to PRC § 4214 (e) (1) "The board shall establish a local assistance grant program for fire prevention activities designed to benefit habitable structures within state responsibility areas, including public education, that are provided by counties and other local agencies, including special districts, with state responsibility areas within their jurisdictions," therefore the Board does not have the authority to distribute grants from the SRA Fire Prevention Fund to these entities.

§ 1666.3(b)(3) The rationale for § 1666.3(b)(1) and (2) applies to this paragraph. Additionally, individual landowners proposing projects only on their own their own land are not eligible because the grant program is intended to support projects that reduce wildfire risk at a community-wide level. The grant application criteria evaluates applications based on the number of habitable structures in the SRA the project may impact, as well as community support for and buy-in to the project. Disallowing

applications by single landowners for projects only on their land will prevent the public from spending their time on a concept proposal or application that will likely end up rejected.

§ 1666.3(b)(4) The rationale for § 1666.3(b)(1) and (2) applies to this paragraph. Additionally, tribes or tribal entities are not eligible to apply, unless they have 501(c)(3) status, because they typically do not have SRA lands within their jurisdictions and the Board has been instructed by statute to return the SRA Fire Prevention Fund proportionally to the counties relative to the amount paid into the fund.

Adopt § 1666.4 Qualifying Projects

§ 1666.4(a) This subsection provides general direction to the public regarding the types of projects that are eligible for funding under the SRA Fire Prevention Fund grant program. It narrows the scope of fire prevention activities that are eligible for funding in order to provide guidance to the public during the concept proposal phase. This section divides eligible projects into three thematic types so that grant evaluators can judge similar project types against one another. This creates a more balanced application evaluation process where project types are judged against a specifically applicable set of criteria, rather than a general evaluation that may favor one type of project over another.

§ 1666.4(b), (c), and (d) These subsections describe the allowable hazardous fuel reduction project types, fire prevention education project types, and fire prevention planning project types, and the required project objective(s) a concept proposal should demonstrate. By defining the types of projects allowed under each project type, the public is given direction when filling out the concept proposal or application so that they select the correct project type, answer the applicable questions, and are evaluated against similar projects. Requiring project applicants to demonstrate they meet at least one of the stated objectives creates a baseline criterion for grant evaluators to begin ranking projects for funding.

The required objective(s) for each type of project are based on a history of projects implemented by CAL FIRE, Fire Safe Councils, and other organizations that over time have demonstrated a clear reduction in wildfire risk at a community-wide level. Stakeholder scoping prior to formal rulemaking indicated that eligible organizations, defined in § 1666.3, demonstrated the historical capability to implement projects meeting these objectives and desired to continue similar work, but often lack funding to do so.

§ 1666.4(e) This subsection allows applicants to propose a project that does not fit into the categories in § 1666.4(b), (c), and (d). This allows the public to propose creative projects that reduce the risk and potential impact of wildfires to habitable structures in the SRA but that eclipse the categories defined in the above sections. The Board does not want to limit unique or innovative project proposals because they do not fit into pre-defined categories if the concept proposal and application can clearly explain how the

project will reduce the risk and potential impact of wildfires to habitable structures in the SRA.

Adopt § 1666.5 Non-Qualifying Projects

§ 1666.5(a) This section identifies projects that will not be funded from the SRAFPF Grant Program. This is necessary to prevent applicants from investing time and resources into projects that will not be funded through this program. It is also necessary to limit the allowable activities to those that will return the greatest wildland fire prevention benefit to the SRAFPF Fee payers.

§ 1666.5(a)(1) A cap of \$5,000 on capital equipment purchases was put in place to allow for applicants to purchase equipment necessary for completing the proposed project, but preventing the purchase of equipment with a useful life beyond the scope of the project where its use to benefit SRAFPF fee payers cannot be controlled through this grant program. A higher cap was considered to allow for the use of grant funds to increase the infrastructure available to organizations throughout the state for performing fire prevention activities but was rejected because of the reason stated above and the complexity involved with evaluating an organizations capacity to own, maintain, and productively use this equipment into the future for wildfire prevention activities. It was also determined that many organizations providing these services do not work exclusively in the SRA, but also may perform wildfire prevention activities in local and federal jurisdictions that do not pay the Fire Prevention Fee. The Board also considered preventing the purchase of any capital equipment but this was rejected because there are reasonably foreseeable purchases that would be necessary for projects to meaningfully meet the fire prevention goals of this grant program.

§ 1666.5(a)(2) is necessary to set reasonable limitations on the projects that may solicit grant funds and prevent the cost burden of projects that fall within the responsibility of other local or state agencies to provide being shifted to the SRAFPF fee payers.

§ 1666.5(a)(3) this provision is intended to prevent applicants from developing and submitting projects that are greater than the available funding, and prevents further evaluation of projects that cannot be funded due to limitations on available funds. Applicants are encouraged to break larger projects in distinct phases that would fall within the funding limitations and hold subsequent phases in to be submitted in future funding years.

§ 1666.5(a)(4) this provision sets a cap on administrative expenses that are necessary for the management of organizations performing fire prevention activities, but do not result in and of themselves in a reduction of wildfire risk to habitable structures in the SRA. 12% falls within the common range of allowable administrative expenses for similar grant programs and was determined by the Board to reasonably cover the necessary administrative expenses of organizations performing these activities after extensive input from representatives of various Fire Safe Councils.

Adopt § 1666.6 CEQA Compliance

It is necessary for ground disturbing projects carried out with State funding to comply with the requirements of the Californian Environmental Quality Act (CEQA). This provision notifies applicants of their obligation to comply with CEQA, allowing them to proactively design their project accordingly and to incorporate this expense into their project budget. The one (1) year timeframe for demonstrating compliance is necessary to make sure the applicant makes diligent progress on meeting this requirement while leaving adequate time to complete the proposed project prior to expiration of the grant. Shorter time periods were rejected because compliance with CEQA can be a complex, time-consuming process. Because the grant will generally expire two (2) years after it has been awarded, longer time periods were rejected because they potentially would not leave adequate time to complete the project.

Adopt § 1666.7 Grant Conditions

§ 1666.7(a) This section identifies conditions that must be met by all projects. Each provision included here was determined to be necessary to comply with other applicable laws, the provisions of this Chapter, or to effectively carry out the wildfire prevention goals of this grant program. Providing these provisions in an aggregated list here provides these requirements to the general public prior to deciding to apply for project funding through the SRAFPF Grant Program.

§ 1666.7(a)(1) reinforces the intended recipients of grant funding through this program. It is restated here to prevent ineligible applicants from spending time and resources developing a grant proposal that will be summarily rejected from consideration. See the necessity statement for § 1666.3 above.

§ 1666.7(a)(2) reinforces the types of projects that will be considered for funding through this grant program and prevents applicants from developing and submitting projects that are not eligible for funding. See the necessity statement for § 1666.4 above.

§ 1666.7(a)(3) is included to notify grant applicants that the capacity of their organization to perform the proposed project will be evaluated as part of the grant review process. This provision is included to give the Board a high degree of confidence that the fire prevention work will be carried out as proposed and should prevent funds being allocated to organizations incapable of performing the proposed work. See the necessity statement for § 1666.8(a)(11) below.

§ 1666.7(a)(4) reinforces that some projects will be required to meet the requirements of CEQA prior to any on-the-ground activities and identifies the acceptable means for the grant applicant to provide evidence that this requirement has been met. See the necessity statement for § 1666.6 above.

§ 1666.7(a)(5) establishes criteria specific to fuel reduction projects to ensure they are carried out compliant with other applicable laws and that the fuel reduction results in a reduction in wildfire risk to adjacent communities.

§ 1666.7(a)(5)(A) is necessary to inform applicants of their obligation under law to involve a Registered Professional Forester (RPF) in fuel reduction projects in the forested landscape. The purpose of requiring a site visit during active operations is to ensure consistency between the written prescription and the operations being constructed on the ground. Licensing action may be taken against the RPF for actions contrary to the terms of the grant agreement, which provides an additional layer of accountability. Not requiring RPF involvement in the grant application phase is intended to ease the financial burden placed upon the general public to submit a grant application, though it makes clear that this cost should be included in the proposed budget should the applicant receive a grant award.

§ 1666.7(a)(5)(B) is included to encourage applicants to develop fuel reduction projects in consultation with knowledgeable professionals in their local area when conducting these treatments outside of the forested landscape and notifies applicants of some of the other values that should be considered during project development. No equivalent laws exist to compel the use of the identified professionals outside of the forested environment. The requirements of CEQA will still need to be met even if these professionals are utilized.

§ 1666.7(a)(5)(C) is included to provide performance standards and general objective for fuel reduction treatments.

§ 1666.7(a)(5)(D)(1-3) identifies the minimum demonstrable deliverables to be achieved by all proposed fuel reduction projects. Including them here provides grant applicants with a minimum set of deliverables that is to be included in the Scope of Work. A description of the pre- and post-treatment site conditions will allow the wildland fire hazard reduction merits of the project to be evaluated, and provide a baseline for which to evaluate the effectiveness of the project post treatment. The requirement to demonstrate CEQA compliance within one (1) year ensures the project is progressing at a pace allowing for it to be completed prior to expiration of the grant. Requiring a site visit during active operations is to ensure consistency between the written prescription and the operations being constructed on the ground.

§ 1666.7(a)(6) provides notification to grant applicants that any income derived from removed forest products or other grant activities must be subtracted from the total grant request. This is necessary to prevent organizations from using grant funds to perform commercial operations designed to benefit the organization financially and ensure that grant funds are causing fuel reduction work that would not otherwise be performed. A reference to PRC § 4527(a) is included to ensure applicants are aware of the limitations on selling, bartering, exchanging, or trading wood products without complying with the California Forest Practice Rules.

§ 1666.7(a)(7) establishes the date of March 15 for all grant work to be completed and a 30 day window for final billing. This time period provides adequate time for a CAL FIRE representative to inspect the final project for compliance, for final grant funds to

be distributed to the grantee, and for CAL FIRE to prepare for the end of the fiscal year on June 30. Earlier dates were considered but rejected as not giving grant applicants a maximum amount of time to complete the grant project. Later dates were similarly rejected as condensing the time frame for CAL FIRE to perform their administrative responsibilities associated with grant funded projects prior to the end of the fiscal year when the grant funding is set to expire. Projects must be completed within two years of the grant award due to contracting requirements set forth by the California Department of General Services.

Adopt § 1666.8 Concept Proposal

§ 1666.8(a) identifies the items to be submitted by all grant applicants as part of the Concept Proposal to allow grant review staff to evaluate the proposed project against the criterion of allowable expenditures for the SRAFPF. The provisions included below are designed to gather information demonstrating that the applicant is an eligible entity and the proposed project provides a clear nexus to fire prevention activities that will reduce the risk of wildfire to habitable structures in the SRA.

§ 1666.8(a)(1) the project name will provide a common name to refer to the proposed project during verbal and written correspondence.

§ 1666.8(a)(2) provides contact information to CAL FIRE staff to correspond with the grant applicant. Identifying the type of organization submitting the grant allows grant review staff to evaluate if the organization is an “eligible applicant” as defined by § 1666.3.

§ 1666.8(a)(3) provides grant review staff with information to evaluate if the project is a “qualifying project” as defined by § 1666.4. The ability to choose “other” or “multiple projects” allows for the grant applicant to propose a project that does not fit into a “qualifying project” category or that includes elements of two (2) or more categories. The requirement to provide a brief description in these cases gives review staff information on the type of fire prevention activity that is being proposed.

§ 1666.8(a)(4) is necessary to provide applicants with the expected timeframe in which grants will be awarded and approved projects must be completed. This allows applicants to design projects that can be accomplished in the identified time given their organizational capacity to carry out the proposed work. This also provides CAL FIRE with reasonable assurance that the applicant can perform the proposed work in the time that awarded funding is available for that purpose.

§ 1666.8(a)(5) Project location information is necessary for grant review staff to ensure the project is within the SRA, route the grant to the appropriate CAL FIRE Unit/Contract County for any Unit level review, and to geographically portray where the proposed project’s fire prevention benefits will accrue. Identification of the project area by Township, Range and Section was chosen over the use of latitude and longitude or the Universal Transverse Mercator (UTM) coordinates of the project area to reduce the burden on the applicant, as Town, Range and Section is readily

available from USGS topographic maps and does not require any specialized equipment to obtain. Providing an address, community, or common name of the project area will allow somebody familiar with the local area to better understand the targeted area for the proposed project. Requiring a map to be submitted with fuel reduction projects will help clarify the geographic extent of the area proposed for treatment and allow review staff to identify any resources of concern in the project vicinity as well as potential barriers or challenges to completing the project as proposed.

§ 1666.8(a)(6) is necessary to quantify the number of structures impacted, ensuring a nexus between the project to the SRAFPF FeePAYERS. This is also necessary to ensure the grant applicant is considering the potential wildfire risk reduction the project will provide to habitable structures in the SRA. Requiring a metric for fuel reduction projects is necessary to establish a target for measuring the project's success. Providing options recognizes that a single metric such as acres treated will not be appropriate for every fuel reduction project. At the same time, confining it to a specific set of metrics allows CAL FIRE to aggregate the work performed by this grant program into categories for evaluation of the effectiveness of the grant program in the future.

§ 1666.8(a)(7) is necessary to identify the fire hazard severity rating of the proposed project area to evaluate the degree of risk reduction that will be achieved by implementing the proposed project. CAL FIRE has categorized the SRA into areas of moderate, high, and very high fire hazard severity. In general, projects in high or very high hazard zones will achieve a greater degree of risk reduction than projects in areas of moderate hazard.

§ 1666.8(a)(8) is necessary to identify the total grant request for the proposed project, and how the work performed by those funds may be amplified by leveraging other funding sources or in-kind contributions. This will help review staff evaluate the overall efficiency of grant funds applied to the proposed project versus other projects competing for the same funds.

Applicants are required to use the Independent Sector National Value of Volunteer time to maintain consistency across submitted Concept Proposals. The Independent Sector is a leadership network for non-profits and other organizations to "advance the common good" (www.independentsector.org/about). The Independent Sector analyzes data from the Bureau of Labor Statistics to determine the hourly value of volunteer time at a national and statewide level. The 2014 value of \$26.87/hour is the most recent calculation for California. Using the Independent Sector's calculations takes the burden off the public to calculate the value of volunteer time and provides a consistent value for volunteer time across all submitted Concept Proposals.

Applicants are required to use the California Department of Transportation (CalTrans)'s "Labor Surcharge and Equipment Rental Rates" guide to determine the value of in-kind equipment use to maintain consistency across submitted Concept

Proposals. Use of the CalTrans guide takes the burden off the public to calculate the rates of owning and operating equipment, rather than relying on complicated calculations or rental yard rates, which tend to be higher than the actual cost of owning and operating the equipment. The CalTrans guide is easily available to the public at <http://www.dot.ca.gov/hq/construc/equipmnt.html>, includes a wide variety of equipment calculations, and is updated regularly to reflect current tax rates, the Producers' Price Index, and fuel costs.

§ 1666.8(a)(9) is necessary to help give grant reviewers a broad overview of what the project is and how it addresses the objectives of the SRAFPF Grant Program. This narrative description give context to the other details requested in this section and will help reviewers determine the overall value of the proposed project.

§ 1666.8(a)(10) is necessary to identify the metrics by which the success of the proposed project will be measured. This information gives reviewers the expected results of the proposed project and identifies that the applicant has thought through the steps necessary to achieve these results. These milestones and deliverables will also be used by administrative staff during implementation of grant projects to evaluate the progress and success of projects.

§ 1666.8(a)(11) is necessary to ensure that the applicant has the institutional capability to carry out the project as proposed and helps screen out organizations that will likely fail to achieve the desired results.

§ 1666.8(b) is necessary to verify that non-profit applicants are in fact eligible entities under the SRAFPF Grant Program. See necessity statement for § 1666.3(4).

§ 1666.8(c) is necessary to provide adequate time for the grant review process in relation to the California budget cycle. Grant agreements for funds appropriated for the SRAFPF Grant Program need to be executed during the fiscal year they are appropriated, which ends on June 30 each year. The November 14 deadline was chosen after working backwards through the expected time required to complete each step of the approval and award process. Earlier dates were rejected as there is no guarantee that the State budget will be approved by June 15 each year. Later dates encroached upon the end of the year when staff shortages due to vacations and holidays make work difficult at many organizations.

It is necessary to provide the general public contact information for submitting SRAFPF Grant applications because CAL FIRE is a large organization with many potential points of contact. Providing a single point of contact ensures that the personnel within CAL FIRE that have administrative responsibilities for the SRAFPF Grant Program receive all concept proposals and applications in a timely manner.

§ 1666.8(d) is necessary to inform the general public how the SRAFPF Grant review process will proceed once they have submitted their concept proposal and provides a date certain that they can expect to receive the results of this review by. This provision

helps provide an open and transparent review process for the concept proposal phase of the SRAFPF Grant Program. It is necessary to have two (2) independent reviewers evaluate each concept proposal to help provide consistency in the review process. Bringing in a third independent reviewer in cases where the initial reviewers are in disagreement is also designed to bring consistency to the review process and help eliminate the influence of any personal biases of the reviewers. It is necessary to inform grant applicants that their projects were approved to move through to the application phase by January 2 to give them adequate time to address each component required in the grant application. It is necessary to reject concept proposals that do not meet the review criteria from further consideration because the applicant has failed to establish that they are an eligible organization proposing a qualifying project eligible for funding from the SRAFPF.

Adopt § 1666.9 Map Requirements

§ 1666.9(a) is necessary to provide reviewers with information on the specific location of fuel reduction projects. The effectiveness of fuel reduction projects is dependent on their location relative to topographic features such as ridgelines and watercourses. This information is difficult to fully describe in just written text and including a map in the grant application provides clarity to reviewers. The map will also be used by administrative staff during project implementation to ensure that on-the-ground operations are conducted according to the approved grant.

The map requirement was not extended to planning or educational projects because these projects are generally targeted more broadly and their geographic extent may be adequately described through the use of place names. Where this is not the case, the applicant is provided an opportunity to submit a map at their discretion to clarify the project's geographic extent.

§ 1666.9(b) is necessary to provide a minimum acceptable map scale to ensure the required information is provided at a resolution that will allow interpretation by grant reviewers. 1:24,000 was chosen because it corresponds with the United States Geologic Survey (USGS) 7.5-minute quadrangle maps which are widely available to the general public. Including this scale allows the general public the option to submit the required information on a copy of a USGS 7.5-minute quadrangle map, alleviating the need to use more sophisticated mapping software to meet this requirement. The requirement that maps be designed to print on 8½ by 11 inch paper and open with standard software ensures that submitted maps may be opened and shared by CAL FIRE grant review and administrative personnel. Allowing maps at a greater scale (i.e., more detailed) gives applicants greater flexibility in producing a clear, readable map if their project is not adequately displayed at a 1:24,000 scale.

§ 1666.9(c) A title, legend, and scale are necessary to provide clarity regarding what the map is trying to portray to grant review and administrative personnel. The title will identify the project the map is associated with; the legend will identify what each symbol used on the map represents; and the scale helps reviewers identify the size of the project and the distance between various features included in the map.

§ 1666.9(d) is necessary to prevent grant applicants from relying on color graphics to delineate different map features. It is reasonably anticipated that maps associated with grant applications will be copied or printed on devices that do not have the ability to produce color graphics, which would not accurately portray any map symbols that rely on color.

§ 1666.9(e)(1-8) is necessary to give grant applicants the minimum acceptable standards for what a project map must include. Each included item is necessary for CAL FIRE grant review and administrative staff to identify the specific location proposed for treatment, differentiate treatment areas where multiple treatments are proposed, and see the relative position of the project in relation to specific resources of concern. This information will allow for thorough evaluation of the fire prevention benefits of the project and help identify potential constraints that may prevent the project from proceeding as proposed.

§ 1666.9(f) is necessary to provide applicants with features that are not required to be included on the project map(s) but may assist the grant applicant in adequately portraying the relative merits of their project graphically. This assists grant applicants in deciding on what information to include in their project map(s).

Adopt § 1666.10 Concept Proposal Evaluation

This section establishes the general outline for evaluating concept proposals. The specific questions and criteria are established in § 1666.11. The concept proposal evaluator will answer the questions in § 1666.11 with either a “yes” or “no” in order to simplify the concept proposal phase and leave the in-depth assessment of the proposed project for the application phase. The concept proposal phase is intended to provide a basic review of the proposed projects to ensure they meet the basic qualifying criteria before applicants and reviewers invest significant time in completing/evaluating applications during the application process. This phase of the evaluation process was successful in CAL FIRE’s SRAFPF Grant Program in the fiscal year 2014/2015 grant cycle.

The Board decided one or more “no” answers to the Concept Proposal Evaluation Criteria were required for disqualification because the Concept Proposal is meant to establish basic eligibility for the SRAFPF Grant Program. Failing to meeting one or more of the basic questions established in the Concept Proposal indicates that the proposed project is inappropriate for the SRAFPF Grant Program. The Concept Proposal Evaluation Criteria rarely ask for the reviewer to establish a value judgment on the merits of the proposed project but instead ask the reviewer if key attributes of the project are adequately described by the proponent. If so, the applicant will be asked to submit more information during the Application phase so reviewers in that stage can determine if the project would be a successful SRAFPF project.

Adopt § 1666.11 Concept Proposal Evaluation Criteria

§ 1666.11(a) This subsection requires the reviewer to determine that the organization applying for SRAFPF grant funds is an eligible organization, pursuant to § 1666.3. This is necessary to ensure grant funds are distributed to qualified organizations with a history of implementing similar projects, a mission to promote fire protection or prevention, and sound fiscal management.

§ 1666.11(b) This subsection requires a reviewer to determine if the project is an authorized activity pursuant to § 1666.4. This is necessary to ensure projects invited to submit applications are within the scope of the SRAFPF Grant Program.

§ 1666.11(c) This subsection is necessary to ensure that projects invited to submit applications have a realistic likelihood of meeting the required funding and implementation deadlines under the SRAFPF Grant Program.

§ 1666.11(d), (e), (f) and (g) These subsections are necessary to ensure a clear description of where the project is located is provided by entities invited to submit applications. This is necessary in order to evaluate the impact of the project on reducing wildfire risk and/or impacts to habitable structures in the SRA. If concept proposal evaluators cannot adequately determine where the project is located relative to the SRA and habitable structures, they cannot determine whether and to what extent the project impacts habitable structures in the SRA, which is a key requirement of projects in order to receive SRAFPF grant funds.

§ 1666.11(h) Concept proposal reviewers are requested to evaluate whether a applicant's estimate of the percentage of each Fire Hazard Severity Zone in their project area reasonably reflects CAL FIRE's Fire Resource and Assessment Program's Fire Hazard Severity Zone maps. This evaluation criterion is necessary to ensure that the concept proposal writer(s) have made a good faith effort to accurately portray the fire hazard severity in the project area.

§ 1666.11(i) Applicants are required to provide a budget for their proposed project. This criterion is fundamental because it is necessary for reviewers to evaluate whether the proposed budget is reasonable, commensurate with the proposed deliverables of the project, to ensure the Board is awarding grants to fiscally sound projects that correspond to the fiduciary responsibility of the Board to the SRA FeePAYERS.

§ 1666.11(j) This criteria is fundamental because a clear description and understanding of the proposed project is vital to confirming that the project meets the goals of the SRAFPF Grant Program, its budget is sound, and the project deliverables are clear. Without a clear understanding of the proposed project, concept proposal evaluators cannot determine if the project is beneficial to the SRA or fiscally sound.

§ 1666.11(k) This criteria is fundamental because it is necessary to require that applicants make a clear case for the reduction of risk from wildfire to habitable structures in the SRA so that evaluators can ensure the funds from the SRAFPF are spent in accordance with PRC § 4214.

§ 1666.11(l) This criteria is fundamental because the goals and objectives of the project must be clearly described so evaluators can determine that the project meets the statutorily-required goals of the SRAFPF Grant Program, which is to reduce wildfire risk to habitable structures in the SRA pursuant to PRC § 4214.

§ 1666.11(m) and (n) These criteria are fundamental because it is necessary to ask reviewers to evaluate that costs and additional funding sources are properly identified so that projects asked to submit applications are fiscally sound and will be using funds from the SRAFPF responsibly. Additionally, additional funding sources are an indicator of buy-in and community support, which can be an indicator for long-term project success. If no additional funding is discussed in the Concept proposal, a “N/A” response to this question by the reviewer shall not count as a “no” for the purposes of implementing § 1666.10 so that applicants are not inadvertently penalized for not including information that is irrelevant to their particular proposal.

§ 1666.11(o) and (p) These criteria are fundamental because it is necessary to ask reviewers to judge if project deliverables are clearly described and milestones and timelines are realistic so that applicants asked to submit applications are ones that have demonstrated they have a realistic project that would be completed in a timely manner and take the grant program deadlines seriously. Ensuring these standards are met is part of fulfilling the Board’s fiduciary responsibility to the SRA Feepayers.

§ 1666.11(q) This criteria is fundamental because it is necessary to ask evaluators to verify that a discussion of the applicant’s previous history implementing similar projects or their capacity to implement this project successfully is provided in the concept proposal. This question will be examined further in the application phase; at this stage it is only necessary to ask evaluators to make sure this is briefly discussed in the concept proposal.

Adopt § 1666.12 Project Application

§ 1666.12(a) This section sets up a two-part application process, a concept proposal phase and a project application phase. Successful concept proposals, evaluated pursuant to § 1666.10 and § 1666.11, shall be asked to submit applications. This two-step process creates cost savings to the public, as applicants for projects that are clearly unsuited for this grant program will not have to spend the additional time and money on preparing an in-depth application.

§ 1666.12(b) The project application consists of several documents that go into more detail about the proposed project than the concept proposal. The concept proposal is allowed to be altered at this stage as applicants cultivate the project, which may yield more details or modifications to some aspects of the project. The scope of work, the project budget, and a map are necessary to provide a complete picture of the proposed project, relevant to expected outcomes, and proposed budget. They go into more detail than the concept proposal so that the evaluation team can make informed judgements of which projects are ultimately best suited to receive SRAFPF money.

Adopt § 1666.13 Scope of Work

§ 1666.13(a) This subsection provides an overview of the contents of the scope of work and directions to the applicants. This is necessary so that project applicants are not disqualified for incomplete applications. Information regarding projects that combine two project types is necessary to guide applicants in addressing the correct sets of questions so their projects are not immediately disqualified for incomplete applications.

§ 1666.13(b) All applications must include a paragraph summarizing the proposed project. This is necessary to provide the reviewers with a short introduction to the project application prior to evaluating the in-depth information and specifics addressed in further questions.

§ 1666.13(c), (d), and (e) The applicant is required to provide information and answer a set of questions specific to the project types identified. This includes unique project activities, objectives, and deliverables. This is necessary because these components may vary between hazardous fuel reduction projects, fire prevention planning projects, and fire prevention education projects. These separate sets of required information are necessary so that project types are evaluated against a set of criteria that are unique to each project type's characteristics, rather than a monolith of questions that may unfairly benefit one type of project over another. See also necessity statement for § 1666.16(b).

§ 1666.13(c)(1) and (d)(1) The geographic scope of the project and estimate of number of habitable structures benefitted is requested so that the evaluation team can determine if the project is adequately sized for the proposed amount of benefit. This information is also necessary so that evaluators can compare the expected benefit of a one project to another project. See also necessity statement for § 1666.16(b)(1)(A-D) and (2)(A-E).

§ 1666.13(c)(2) The goals, objectives, and expected outcomes of hazardous fuel reduction projects are requested so that the evaluation team can assess whether they can be realistically achieved. Without well-defined goals, objectives, and outcomes, the evaluation team cannot determine if the project would benefit habitable structures in the SRA and cannot adequately compare the proposed project to others. See also necessity statement for § 1666.16(b)(1)(A-D).

§ 1666.13(c)(3) The applicant is asked to provide a clear rationale for how the proposed project will reduce wildfire risks to habitable structures in the SRA so that the evaluation team receives from applicants in their own words how the project will benefit the SRA. This ensures the SRAFPF monies are returning to communities in the form of projects that directly benefit the most amount of habitable structures or a reasonably proportionate amount of habitable structures, given the estimated costs of the project. See also necessity statement for § 1666.16(b)(1)(A-D).

§ 1666.13(c)(4) Applicants are asked to identify any additional assets at risk that may benefit from the proposed project. This is necessary to determine if a project may have

multiple benefits above and beyond protecting habitable structures in the SRA. The evaluation team may decide to award more points to projects that demonstrate multiple benefits to assets at risk in the SRA. See also necessity statement for § 1666.16(b)(1)(A-D).

§ 1666.13(c)(5) Applicants are asked to determine if they believe the scale of their proposed project is appropriate to achieve their stated goals, objectives, and outcomes. This is necessary so that project evaluators may assess if the proposed project's scope and scale is sized adequately to perform the stated goals, objectives, and outcomes and if the applicant has reasonable expectations. See also necessity statement for § 1666.16(b)(1)(A-D).

§ 1666.13(d)(2) Applicants for fire prevention planning projects are asked to describe how the project will assess the wildfire risk in the SRA and prioritize projects to reduce that risk over time. This is necessary to determine how applicants will approach the plan development process and ensure their methods will create a sound methodology that can be implemented on the ground. See also necessity statement for § 1666.16(b)(2)(A-E).

§ 1666.13(d)(3) Applicants are required to provide information about whether the planning effort builds on existing planning efforts in the area so that the evaluation team can understand whether this is a first time planning effort or an update to existing plans. This information will help the evaluation team determine whether a first time planning effort in a community will yield more benefits relative to funding an update of an existing plan or vice versa. Both types of planning projects may be funded under this grant program, but this additional context will assist the evaluation team in determining which planning projects will have the most impact on habitable structures in the SRA. See also necessity statement for § 1666.16(b)(2)(A-E).

§ 1666.13(d)(4) and (5) These questions are necessary to evaluate the level of stakeholder and community support for a planning project, as well as the applicant's plans to reach out to other community members. Without support and outreach, a planning project cannot adequately address and prioritize community concerns to the fullest. The answer to these questions will be used by the evaluation team to determine if the proposed project has enough stakeholder and community support to be successful if funded. See also necessity statement for § 1666.16(b)(2)(A-E).

§ 1666.13(e)(1) and (2) There are many possible educational campaign messages that could be communicated to residents of habitable structures in the SRA regarding wildfire risk, and these questions requires fire prevention education applicants to narrow the scope of their educational message and discuss how it relates to reducing wildfire risk, as well the intended audiences of this message and how this information will reach them. This question is necessary so that the evaluation team can determine if the educational message is appropriate for this grant program and to avoid duplicative or unnecessary educational programs. A well thought out educational campaign will have a message and materials that are appropriate for their proposed audience, and the

answer applicants provide to these questions will assist the evaluation team in determining if the proposed educational campaign is suitable. See also necessity statement for § 1666.16(b)(3)(A-E).

§ 1666.13(e)(3), (4), and (5) Responses to these questions are required from applicants so the evaluation team has a clear grasp of the behavior and knowledge outcomes the applicants expect from the audience of the educational campaign. This will also help gauge the effectiveness of the program, because the scope of work, which provides a record of the stated goals and outcomes of the educational campaign, can be compared to the final results. Having a clear understanding of the expected changes in resident preparedness for wildfire or public awareness of wildfire will allow the evaluation team to rank educational projects in terms of educational impact and determine which projects are best designed for SRAFPF funding. See also necessity statement for § 1666.16(b)(3)(A-E).

§ 1666.13(f) This question is about whether the proposed project supports the goals and objectives of various fire plans at the state and local levels. A response to this question is necessary to help the evaluation team determine whether the project assists in accomplishing the landscape-level goals outlined in the larger plans, or if the applicant is acting individually. Projects that are part of a long-term strategic wildfire risk reduction plan may have more community support and resources that will ensure the success of the project if funded by the SRAFPF, and it is necessary for the evaluation team to know how the proposed project fits into the long-term wildfire protection goals of the area. See also necessity statement for § 1666.16(c)(1).

§ 1666.13(g) Regardless of the type of project, all applicants are required to discuss their proximity to moderate, high, or very high fire hazard severity zones (FHSZ) as well as to habitable structures in the SRA so that the evaluation team can determine the relative risk to the project area in comparison to the expected outcomes/risk reduction of the project, and also to compare the relative risk of a proposed project to other projects. See also necessity statement for § 1666.16(c)(2).

§ 1666.13(h) Regardless of the type of project, all applicants are required to discuss the community support for their proposed project by answering several questions regarding matching funds, outreach efforts, project maintenance after the grant period, and partnering with other organizations. These questions are meant for applicants to elaborate on how their project is supported by the community and ways in which community support will enhance the performance of the project, such as with matching funds, in-kind contributions, or commitments to continue the project after the grant period ends. See also necessity statement for § 1666.16(c)(3).

§ 1666.13(i) Regardless of the type of project, all applicants are required to discuss the mechanics of project implementation, including the anticipated timeline, project milestones and measurable outcomes/deliverables, and any CEQA requirements that will be met. This is necessary to provide a clear picture of the project timeline and allows the evaluation team to assess if this is a reasonable project that can be

implemented in the time frame required by the conditions of the SRAFPF Grant Program. See also necessity statement for § 1666.16(c)(4).

§ 1666.13(j) Regardless of the type of project, all applicants are required to discuss their detailed budget and how grant funds, if awarded, would be used to support the goals and objectives of the project. Applicants are given the opportunity to explain any anomalies in costs and administrative expenses, as well as discuss how the proposed cost is appropriate for the size, scope, and benefit of the proposed project. This section is necessary to give the applicant a space to describe the budget in narrative form in addition to the required numerical information, which is necessary to provide the evaluation team a greater amount of context into the numbers proposed by the applicant. See also necessity statement for § 1666.16(c)(5).

§ 1666.13(k)(1) Regardless of the type of project, all applicants are required to describe previous experience they have with similar projects or describe their capacity for successfully implementing a project under the SRAFPF grant fund. This information is necessary to help the evaluation team in determining that grant funds are being distributed to organizations with a proven track record in successful project implementation and sound financial management. See also necessity statement for § 1666.16(c)(6).

§ 1666.13(k)(2) Regardless of the type of project, all applicants are required to identify the person responsible for tracking project records and financials in a manner that allows for a full audit of any awarded grant funds. This information will be not be part of the evaluation criteria used by the evaluation team, but will be used as the point of contact should information be needed to conduct an audit or otherwise review the use of any awarded grant funds. See also necessity statement for § 1666.16(c)(6).

Adopt § 1666.14 Budget

§ 1666.14(a) is necessary to provide grant applicants with a budget worksheet to ensure that budgetary information is submitted in a consistent format for efficiency and consistency of review. This information also provides the basis on which future invoices for completed work will be submitted for reimbursement and allow CAL FIRE to track aggregated expenditures from SRAFPF Grants in a consistent format for future evaluation of the efficiency and effectiveness of the SRAFPF Grant Program.

§ 1666.14(b), (c), (d) and (e) are necessary so that grant reviewers can examine the proposed costs of the project at a basic level to ensure that proposed costs are eligible costs pursuant to § 1666.15, the cost per unit is reasonable, and that all costs are fully accounted for via SRAFPF funds, the grantee, or partner organizations.

§ 1666.14(f) and (g) are necessary to keep the project's identity consistent throughout all phases of the grant process. This ensures components of one proposed project, such as a budget worksheet, are not mistakenly attributed to another project.

§ 1666.14(h-p) These are costs the Board anticipates applicants will incur as part of implementing a project under the SRAFPF Grant Program. Applicants are not required to enter a cost for any expenses they do not anticipate incurring, and § 1666.14(n) allows applicants to enter costs not identified in § 1666.14(h) through (m) and (o). These subsections capture all possible costs associated with a proposed project under the SRAFPF Grant Program in a clear and reasonable format for reviewers to evaluate.

§ 1666.14(q) provides instructions to project applicants to submit the Budget Worksheet. These specific instructions ensure the correct budgets are associated with each project and no project is inadvertently disqualified.

Adopt § 1666.15 Eligible Costs

§ 1666.15(a) is necessary to clarify the portions of employee salaries and wages that may be charged to the grant project. Providing this information to the general public will assist potential grant applicants in evaluating if a grant award will cover their anticipated costs to implement the project. The limitations on employee salaries and wages are included to ensure that funds appropriated out of the SRAFPF for grant projects are used efficiently to provide fire prevention services to the Feepayers.

§ 1666.15(b) is included to clarify to the general public that benefits generally provided to employees is also included as a reimbursable component of the employee's salaries and wages. This is necessary to fully reimburse organizations for the costs of their employees associated with the proposed project.

§ 1666.15(c) is necessary to identify consulting and contracting services as a reasonably foreseeable necessity for many organizations to successfully plan, implement, and complete a SRAFPF grant project. Including this as an allowable expense allows organizations that do not have all levels of organizational capacity or expertise to carry out a fire prevention project to contract certain project activities with an external entity. Requiring contractor selection on a competitive basis helps ensure that the contract costs are reasonable for the local market.

§ 1666.15(d) is necessary to provide the general public information on how travel expenses will be reimbursed. The provisions contained here place reasonable limits on travel expenses as another cost control to help ensure that SRAFPF funds are used efficiently to provide fire prevention services to the Feepayers. If the Grantee does not have a written policy on travel reimbursement, California Standard Per Diem from the U.S. General Services Administration and mileage rates from the federal Internal Revenue Service shall be used because those rates are publically available and commonly used.

§ 1666.15(e) is included to inform grant applicants that supplies necessary to implement the fire prevention project are an allowable expense anticipated by the SRAFPF Grant Program. Requiring procurement on a competitive basis helps ensure that the costs are reasonable for the local market. Establishing the \$500 threshold for the competitive

criteria prevents it from being an onerous provision that applies to the procurement of all supplies necessary to complete the proposed project.

§ 1666.15(f) See necessity statement for §§ 1666.5(a)(1) and 1666.8(a)(8).

§ 1666.15(g) is necessary to cap administrative costs charged to the SRAFPF Grant Program as another cost control to help ensure that SRAFPF funds are used efficiently to provide fire prevention services to the FeePAYERS. The limit of 12% was identified as a usual and customary cap placed on other similar grant programs, and was identified as a number that could reasonably be expected to compensate organizations for administrative costs incurred in developing and executing fire prevention projects after extensive comments and discussions with stakeholders during the development of this regulation.

§ 1666.15(h) is necessary to provide flexibility for grant applicants to propose expenses directly related to the grant project that do not fit into any other categories contained in this provision. The Board recognizes that it cannot foresee all anticipated costs associated with fire prevention projects and intends to allow grant applicants flexibility to propose additional expenses provided they can be shown to be necessary to provide the proposed fire prevention services to the FeePAYERS.

Adopt § 1666.16 SRAFPF Grant Application Evaluation Criteria

§ 1666.16(a) This subsection establishes a 100-point scale for evaluating submitted SRAFPF grant applications and instructs the application evaluator to award points based on how strongly the project application addresses each criterion. This section is necessary to provide transparency to the public about how the applications will be scored and how evaluators are instructed to review applications.

§ 1666.16(b) The first twenty five points are awarded based on questions specific to the type of project proposed – hazardous fuel reduction, fire prevention education, and/or fire prevention planning. Specific and separate questions for each project type are necessary because these types of projects have different metrics for success and it is imperative to evaluate them on different criteria based on the information provided pursuant to § 1666.13. The Board determined that a plurality of the points should go towards the applicant's description of their proposed project because this section is where applicants have the strongest opportunity to describe their project's scope and its benefit to the SRA, and the greatest opportunity to convince reviewers of the worthiness of their proposed project. The remaining 75 points are relevant to all project types.

§ 1666.16(b)(1)(A-D) For fuel reduction projects, the evaluator will judge, based on the information provided in response to § 1666.13(c), whether the geographic scope of the project and its goals, objectives, and outcomes are well-defined and provide a clear rationale for how the project will benefit habitable structures in the SRA and other assets at risk. The evaluator shall assess whether the scale of the project is appropriate to achieve the stated goals, objectives, and outcomes. These evaluation criteria are necessary to determine whether the project, if funded, would constitute a sound

investment of SRAFPF funds. Requiring a well-defined project with a clear benefit to habitable structures in the SRA facilitates the application evaluators in ensuring that SRAFPF money is spent wisely on projects that will demonstrably lower the wildfire risk in the SRA as required by statute.

§ 1666.16(b)(2)(A-E) For fire prevention planning projects, the evaluator shall judge, based on the information provided in response to § 1666.13(d), whether the geographic scope of the project is well-defined and if the project clearly describes the process by which risks to residents and habitable structures in the SRA will be assessed and prioritized. The evaluator shall determine if the applicant demonstrates community support, a connection to any existing plans, and a clear plan for engaging a variety of stakeholders. Application evaluators shall determine if the submitted application clearly identifies those aspects of the proposed project and if the implementation plan is adequate to result in a successful fire prevention plan. This ensures that planning projects funded through the SRAFPF are likely to result in projects “on the ground” that extend the life of the proposed plan beyond its initial creation.

§ 1666.16(b)(3)(A-E) For fire prevention education projects, the evaluator shall judge, based on the information provided in response to § 1666.13(e), whether the targeted message and audience for the educational campaign, as well as expectations regarding changed behavior or attitudes as a result of the campaign, ensures SRAFPF funds are spent on projects that will have a demonstrable impact on wildfire risk awareness amongst residents in the SRA and result in a more fire-adapted environment.

§ 1666.16(c) The remaining 75 points shall be distributed amongst a series of questions relevant to all projects. The different types of projects require addressing questions specific to the project type in order to evaluate the project as discussed in the paragraphs above. However, there are certain attributes to project implementation, such as sound budgeting, a reasonable timeline, community support, and relative reduction of risk, that are common across all project types. It is necessary to use one set of evaluation criteria for those components so the review process is equitable, easier for both the public and reviewers to practice, and so the evaluation process is transparent.

§ 1666.16(c)(1) Up to twenty points are awarded to projects for describing their relationship to existing strategic fire plans. This question is worth twenty points because the Board deemed it important to prioritize funding projects that are identified in or otherwise support the goals of existing strategic fire plans. These projects typically have existing community support, methods to obtain matching funds or in-kind contributions, and work together with other projects in the plan(s) to impact wildfire risk across a larger landscape scale. It is necessary to evaluate this relationship to strategic plans to ensure projects funded through the SRAFPF grant have the widest possible influence on reducing wildfire risk to habitable structures in the SRA.

§ 1666.16(c)(2) Up to fifteen points are awarded to projects based on the degree of risk of wildfire in the project area. The Board deemed it important to fund projects that impact an area facing a higher wildfire risk or that will reduce the risk to more structures

in the SRA than other competitive projects where this is not the case. These evaluation criteria are necessary so that reviewers can prioritize projects that will impact either the most at-risk communities in the SRA or projects that benefit a higher amount of habitable structures so that SRAFPF monies are utilized to provide the greatest benefit.

§ 1666.16(c)(3) Up to fifteen points are awarded to projects indicating community support or contributions to the proposed project. These evaluation criteria are necessary because the Board deemed it important to fund projects with community support such as matching funds, in kind contributions, commitments for project maintenance or continuance past the life of the grant, and cooperative organization and stakeholder involvement because these factors indicate that the local community is willing to invest in the success of the proposed project. Projects with support at many levels, including local residents and organizations, are more likely to be successfully implemented and reap benefits to habitable structures in the SRA after the grant timeline has expired. The Board deemed it important to fund projects where dollars may go further in supporting projects with invested communities that may carry the benefits of the project past the lifetime of the grant.

§ 1666.16(c)(4) and (5) Up to ten points are awarded each for project implementation components and the proposed budget. The Board has a fiduciary responsibility to the SRA Fire Prevention FeePAYERS to ensure the SRAFPF grant funds are awarded to projects that demonstrate they can be performed in the required timeline and have measurable outcomes and deliverables, as well as a reasonable budget that reflects real costs and is appropriate for the size and scale of the proposed budget. It is necessary to require project evaluators to determine to what extent project applications demonstrate they can meet these requirements and score them accordingly.

§ 1666.16(c)(6) Up to five points are awarded to applications that demonstrate their sponsoring organization has successfully performed similar work in the past or have a demonstrated ability to perform work similar to that in the proposed project. Although a small proportion of points overall, the Board deemed it important to fund projects that provide a level of certainty that SRAFPF money is being distributed to trustworthy organizations with a track record of successful projects and financial transparency. Therefore, it is necessary to require project evaluators to award points based on this history.

ECONOMIC IMPACT ANALYSIS (pursuant to GOV § 11346.3(b)(1)(A)-(D) and provided pursuant to 11346.3(a)(3))

The purpose of the proposed action is create a grant program to distribute any Fee funds appropriated by the Legislature to their communities of origin for fire prevention activities designed to benefit Habitable Structures within State Responsibility Areas, including hazardous fuel reduction and fire prevention education, that are provided by local government, including counties, fire protection districts, community services districts, water districts, resource conservation districts, and other special districts with SRA within their jurisdiction; Fire Safe Councils recognized through the California Fire Safe Council; the California Conservation Corps and Local Conservation Corps certified by the California Conservation Corps under PRC § 14507.5; and Non-Profit Organizations with state responsibility areas within their jurisdictions.

Creation or Elimination of Jobs within the State of California

The proposed action creates the SRA Fire Prevention Fund Grant Program, and applicants are allowed to include administrative costs for implementing the proposed project into their budget proposal. These costs can be up to 12% of the budget. Given the small scale of the grant program and the limited allowed administrative costs, no jobs in California are expected to be created or eliminated.

Creation of New or Elimination of Existing Businesses Within the State of California

The proposed action allows local governments, non-profits, and other organizations to apply for grant funding to implement a specific fire prevention activity in the State Responsibility Area. The only administrative activities that can be funded with the grant program are those directly related to the implementation of the fire prevention activity or activities, and those costs cannot be larger than 12% of the overall proposed project budget. The proposed action funds specific, one-time projects of limited temporal and spatial scale that would not lend themselves to a long-term sustainable business model. Given the small scale of the allowed administrative costs, no new businesses in California will be created or existing businesses eliminated.

Expansion of Businesses Currently Doing Business Within the State of California

The proposed action creates the SRA Fire Prevention Fund Grant Program, which allows local governments, non-profits, and other organizations to apply for funds to implement a specific fire prevention activity in the State Responsibility Area. The proposed action may promote the expansion of businesses in California since non-profits will be expanding their suite of programming to include the project(s) funded by the SRAFPF Grant Program, if only on a limited basis through the duration of the grant period.

Benefits of the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State's Environment

The proposed action will benefit the health and welfare of California residents and the State's environment by implementing hazardous fuel reduction and fire prevention planning and education projects that may reduce the risk of wildfire to the owners of

Habitable Structures in the State Responsibility Area. A reduction in catastrophic wildfires throughout the State will reduce losses of life and property and reduce impacts to smoke-sensitive populations. In addition, the proposed action may improve the ecological health of the SRA landscape, leading to a more natural fire regime and an improved environment. The proposed action will not benefit worker safety.

Summary

The proposed action:

- (A) will not create jobs within California;
- (A) will not eliminate jobs within California;
- (B) will not create new businesses within California;
- (B) will not eliminate existing businesses within California;
- (C) will affect the expansion or contraction of businesses currently doing business within California.
- (D) will yield nonmonetary benefits through the improved awareness of the local wildfire risk as a result of planning and education projects.

FACTS, EVIDENCE, DOCUMENTS, TESTIMONY, OR OTHER EVIDENCE RELIED UPON TO SUPPORT INITIAL DETERMINATION IN THE NOTICE THAT THE PROPOSED ACTION WILL NOT HAVE A SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS (pursuant to GOV § 11346.2(b)(5))

The proposed action will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Pursuant to **GOV §11346.5(a)(8)**, the agency shall provide in the record facts, evidence, documents, testimony, or other evidence upon which the agency relies to support this initial determination:

This initial determination is based on information provided by CAL FIRE in personal communication about the FY 2014/15 and 2015/16 SRA Fire Prevention Fund grant cycles, as well as personal communication with representatives from California Fire Safe Councils and the American Red Cross, eligible organizations that may apply for this proposed grant program and have applied for the CAL FIRE program in the past.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORT, OR SIMILAR DOCUMENT RELIED UPON (pursuant to GOV SECTION 11346.2(b)(3))

The Board of Forestry and Fire Protection relied on the following list of technical, theoretical, and/or empirical studies, reports or similar documents to develop the proposed action.

1. Excerpts from Public Resources Code (PRC), 2016: 4102, 4111, 4112, 4113, 4114, 4212, 4214, 4740 and 4741.
2. Public comment from stakeholders received throughout 2015 at regularly scheduled Resource Protection Committee and Board of Forestry and Fire Protection meetings.
3. Personal communication with stakeholder representatives in 2015 and 2016.
4. Quagga and Zebra Mussel Infestation Prevention Grant Fee Program, Department of Parks and Recreation Division of Boating and Waterways; 14 CCR § 5300 et seq.
5. Communication with CAL FIRE personnel involved in implementing the Department's 2014/15 and 2015/16 SRAFPF Grant Program.

REASONABLE ALTERNATIVES TO THE PROPOSED ACTION CONSIDERED BY THE BOARD, IF ANY, INCLUDING THE FOLLOWING AND THE BOARD'S REASONS FOR REJECTING THOSE ALTERNATIVES (pursuant to GOV § 11346.2(b)(4)(A) and (B)):

- **ALTERNATIVES THAT WOULD LESSEN ANY ADVERSE IMPACTS ON SMALL BUSINESS AND/OR**
- **ALTERNATIVES THAT ARE LESS BURDENSOME AND EQUALLY EFFECTIVE IN ACHIEVING THE PURPOSES OF THE REGULATION IN A MANNER THAT ENSURES FULL COMPLIANCE WITH THE AUTHORIZING STATUTE OR OTHER LAW BEING IMPLEMENTED OR MADE SPECIFIC BY THE PROPOSED REGULATION**

Alternative 1: No Action Alternative

The Board considered taking no action, since 14 CCR § 1665.8 Grant Program technically implements PRC § 4214. With that existing regulation, the Board could have chosen to create a guidance document with the specific application instructions and evaluation criteria instead of repealing that regulation and adopting new ones as in this proposed action. However, the Board and Board staff were concerned this alternative would result in an underground regulation and rejected this alternative.

Alternative 2: One-Phase Process

The Board considered an application process that did not include a Concept Proposal phase and a separate Application phase and instead only required an Application. At the time this regulation was being developed, CAL FIRE was implementing a SRAFPF Grant Program with two phases, as proposed in this action, and the Board thought it was best to mimic that process to reduce confusion amongst the public.

Alternative 3: Less Specific

The Board considered grant application questions and evaluation criteria that were less specific, including one series of questions and criteria for all types of projects (hazardous fuel reduction, fire prevention planning, and fire prevention education), no or limited map requirements, and less budget information. The Board rejected this alternative because they were concerned it would lead to evaluation criteria that inadvertently favored one type of project over another and that grant reviewers would not get enough information from the Concept Proposals and Applications to adequately judge the strength of each project against one another.

Alternative 4: Proposed Action

The Board has chosen to adopt the proposed action presented in this Initial Statement of Reasons because the Board believes the proposed action is the most cost-efficient, equally or more effective, and less burdensome alternative. The proposed action balances requiring applicants to submit enough information for application reviewers to make a sound judgment regarding the worthiness of applications while keeping in mind the cost and time burdens for providing that information by the public.

There is no alternative that would be more effective or equally effective while being less burdensome or impact fewer small businesses than the proposed action.

Prescriptive Standards versus Performance Based Standards (pursuant to GOV §§11340.1(a), 11346.2(b)(1) and 11346.2(b)(4)(A)):

Pursuant to **GOV §11340.1(a)**, agencies shall actively seek to reduce the unnecessary regulatory burden on private individuals and entities by substituting performance standards for prescriptive standards wherever performance standards can be reasonably expected to be as effective and less burdensome, and that this substitution shall be considered during the course of the agency rulemaking process.

The proposed action does not mandate the use of specific technologies or equipment, but does prescribe specific actions or procedures. The proposed action is only as prescriptive as necessary to ensure Concept Proposals and Applications to the SRAFPF Grant Program are consistent between applicants. This creates an application and evaluation process that is fair and transparent. Performance based standards were not reasonably expected to be as effective and less burdensome in achieving the purpose of the proposed action.

Pursuant to **GOV § 11346.2(b)(1)**, the proposed action does not mandate the use of specific technologies or equipment.

Pursuant to **GOV § 11346.2(b)(4)(A)**, the above-mentioned alternatives were considered and ultimately rejected by the Board in favor of the proposed action. The proposed action does not mandate the use of specific technologies or equipment, but does prescribe specific actions or procedures. Alternatives 2 and 3 considered by the Board require fewer of these actions or procedures but would result in a less effective regulation.

DESCRIPTION OF EFFORTS TO AVOID UNNECESSARY DUPLICATION OR CONFLICT WITH THE CODE OF FEDERAL REGULATION (pursuant to GOV § 11346.2(b)(6))

The Code of Federal Regulations has been reviewed and based on this research, the Board found that the proposed action neither conflicts with, nor duplicates Federal regulations. There are no comparable Federal regulations for a statewide wildfire prevention grant program based on fees collected from the State Responsibility Area.

POSSIBLE SIGNIFICANT ADVERSE ENVIRONMENTAL EFFECTS AND MITIGATIONS

The Board has considered adverse environmental effects from the proposed action and has not identified any adverse environmental effects that will result from the proposed action.

The Board has determined that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations § 1153(b)(4).