

Date of Hearing: April 23, 2024

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE

Diane Papan, Chair

AB 2465 (Gipson) – As Amended April 10, 2024

SUBJECT: Equity: socially disadvantaged groups and organizations: nonprofit organizations: grants

SUMMARY: Requires specified state entities to prioritize socially disadvantaged groups under various grant programs, and includes descendants of enslaved persons in the United States in the definition of socially disadvantaged group. Specifically, **this bill:**

- 1) For purposes of the bill, defines “socially disadvantaged organization” as a nonprofit organization that has, as a majority of its board of directors, members of a socially disadvantaged group.
- 2) Amends the definition of “socially disadvantaged group” in Food and Agriculture Code (FAC) § 512 to include descendants of enslaved persons in the United States.
- 3) Requires, until January 1, 2031:
 - a) The secretary of the Natural Resources Agency (NRA), when awarding grants for sustainable communities to give additional consideration to awarding moneys for a project that is undertaken by a socially disadvantaged organization;
 - b) The Department of Forestry and Fire Protection (CAL FIRE) to prioritize the award of an urban forestry grant to socially disadvantaged organizations;
 - c) The Wildlife Conservation Board (WCB), when awarding grants under its authority, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program;
 - d) The Department of Conservation (DOC), when awarding grants pursuant to its authority, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program;
 - e) CAL FIRE, when awarding grants for the implementation and administration of projects and programs to improve forest health and reduce greenhouse gas (GHG) emissions, to prioritize the awarding of grant funding to socially disadvantaged organizations;
 - f) The Department of Parks and Recreation (State Parks), when awarding grants for the California Recreational Trails Act, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program;
 - g) The State Coastal Conservancy (SCC), when awarding grants pursuant to its authority, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program;

- h) The Sacramento-San Joaquin Delta Conservancy, when awarding grants pursuant to its authority, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program;
 - i) The Sierra Nevada Conservancy, when awarding grants pursuant to its authority, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program;
 - j) The California Environmental Protection Agency (CalEPA), when awarding grants under the Environmental Justice Small Grant Program, to prioritize the awarding of grant funding to socially disadvantaged organizations;
 - k) The Department of Water Resources (DWR), when awarding grants under the Dam Safety and Climate Resilience Local Assistance Program, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program; and
 - l) DWR, when awarding grants for watershed-based riverine and riparian stewardship improvements, to prioritize the awarding of grant funding to socially disadvantaged organizations, to the extent not in conflict with the terms and conditions of a federal grant program.
- 4) Requires eligible grant applications submitted by a socially disadvantaged organization to all of the state entities in #3 (c) – (l), above, to be awarded additional points equal to 15% of the total points available for scoring.
 - 5) Prohibits the state entities in #3 (c) – (l), above, from requiring a socially disadvantaged organization from providing matching funds and prohibits those state entities from penalizing a socially disadvantaged organization that does not provide matching funds as part of the grant application.
 - 6) Prohibits the state entities in #3 (c) – (l), above, from requiring a socially disadvantaged organization to demonstrate experience implementing similar projects and prohibits those state entities from penalizing a socially disadvantaged organization that does not demonstrate experience implementing similar projects as part of a grant application.

EXISTING LAW:

- 1) Defines “socially disadvantaged group” to mean a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups include all of the following: African Americans, Native Indians, Alaskan Natives, Hispanics, Asian Americans, and Native Hawaiians and Pacific Islanders (FAC § 512).
- 2) Requires WCB to investigate, study, and determine what areas within the state are most essential and suitable for wildlife production and preservation, and will provide suitable recreation; and shall ascertain and determine what lands within the state are suitable for game propagation, game refuges, bird refuges, waterfowl refuges, game farms, fish hatcheries,

game management areas, and what streams and lakes are suitable for, or can be made suitable for, fishing and hunting (Fish and Game Code § 1345).

- 3) Requires the secretary of NRA, to support the development of sustainable communities, to manage and award financial assistance, for the preparation and implementation of green infrastructure projects that reduce GHG emissions and provide multiple benefits, to local governments and nonprofit organizations. Requires at least 75% of the moneys available for these grants to be allocated to projects that are located in, and that provide benefits to, disadvantaged communities. Requires the secretary to maximize the expenditure of funds made available pursuant to the Statewide Park Development and Community Revitalization Act of 2008 (Government Code § 12802.10).
- 4) Requires DOC to administer local assistance grants [Public Resources Code (PRC) § 614].
- 5) Authorizes the director of CAL FIRE to provide grants to, or enter into contracts or other cooperative agreements with, entities, including, but not limited to, private or nongovernmental entities, Native American tribes, or local, state, and federal public agencies, for the implementation and administration of projects and programs to improve forest health and reduce GHG emissions (PRC § 4799.05).
- 6) Authorizes the director of CAL FIRE to award grants to provide assistance of 25% to 90% of costs for projects meeting specified urban forestry guidelines. Authorizes the director to waive the cost sharing requirement for projects that are in disadvantaged and low-income communities. Grants may be made to cities, counties, districts, and nonprofit organizations (PRC § 4799.12).
- 7) Establishes the California Recreational Trails Act (PRC § 5070) and requires moneys in the Recreational Trails Fund to be available to State Parks for competitive grants to cities, counties, districts, state and federal agencies, federally recognized California Native American tribes, nonfederally recognized California Native American tribes included on the contact list maintained by the Native American Heritage Commission, and nonprofit organizations with management responsibilities over public lands to acquire and develop recreational trails (PRC § 5072.8).
- 8) Requires SCC to award grants to local agencies and nonprofits to prepare plans and feasibility studies, and provide technical assistance (PRC § 31111).
- 9) Establishes the Sacramento-San Joaquin Delta Conservancy in NRA to support efforts that advance environmental protection and the economic well-being of Delta residents, and, among other things, promote environmental education through grant funding (PRC § 32320-32322).
- 10) Establishes the Sierra Nevada Conservancy in NRA to protect the environment and increase opportunities for tourism and recreation (PRC § 33320). Authorizes the Sierra Nevada Conservancy to make grants or loans to public agencies, nonprofit organizations, and tribal organizations (PRC § 33343).
- 11) Establishes the Environmental Justice Small Grant Program under the jurisdiction of CalEPA (PRC § 71116).

- 12) Requires DWR to develop and administer the Dam Safety and Climate Resilience Local Assistance Program to provide state funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams and associated facilities that were in service prior to January 1, 2023 (Water Code § 6700).
- 13) Requires DWR to establish a program to implement watershed-based riverine and riparian stewardship improvements by providing technical and financial assistance in support of projects that reduce flood risk, restore and enhance fish populations and habitat, improve water quality, achieve climate change benefits, and in general ensure resilient ecological function within areas that include, but are not limited to, urban or urbanizing areas of the state (Water Code § 7049).

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

- 1) **Purpose of this bill.** According to the author, this bill “provides an imperative initiative of prioritization and financial assistance to socially disadvantaged groups, through incentivizing existing organizations to diversify their governing bodies and empower diverse-led organizations to be part of California’s climate and green infrastructure workforce. There has been long-standing deficiencies and internal barriers to socially disadvantaged farmers and ranchers, especially those who are descendants of slaves, because they have not been specified in the definition of a socially disadvantaged group. By the implementation of [this bill], we are setting a precedent of investment towards these groups; uplifting them to the same opportunities and outcomes as their socially advantaged counter-parts.”

The author further contends that, “people of color are substantially underrepresented in the grants this bill addresses. Some state agencies have made some progress in addressing these gaps, but ultimately, there is plenty of work to be done. Additionally, preparation of grant applications for these grant programs can be very expensive and laborious, requiring the expense of tens of thousands of dollars without any certainty that the grant application will have a chance at funding. This is a substantial deterrent to diverse communities and organizations entering this sector.”

- 2) **Background.** In recognition of the consequences of California’s history of socially and economically inequitable policies, the state has prioritized funding for disadvantaged communities, defined differently across different state statutes, but predominantly defined by priority populations that represent economically disadvantaged individuals and communities that are also likely disproportionately exposed to and vulnerable to environmental pollutants.

Under California’s climate law – the Global Warming Solutions Act – the Cap-and-Trade system generates billions of dollars annually for the Greenhouse Gas Reduction Fund. Appropriation of those funds, known as California Climate Investments, are required to meet multiple objectives for providing benefits to priority populations. Administering agencies must both (1) target investments to priority populations, including disadvantaged communities, and (2) maximize benefits to disadvantaged communities.

CalEnviroScreen was developed at CalEPA to identify disadvantaged communities that are the most vulnerable and pollution-burdened. The tool is used to help direct those Climate Investments targeted for disadvantaged communities, as well as to guide CalEPA in

administering its Environmental Justice Small Grants Program and prioritizing resources for cleanup and abatement projects and outreach efforts by the agency.

Cumulatively, \$7.2 billion (74% of total California Climate Investments to-date), of project funding is benefiting priority populations, exceeding the statutory minimums. While investments in disadvantaged and underrepresented communities are important, the author's intent with this bill is to build capacity for communities of color in implementing projects to further California's nature-based solutions.

Reparations. On June 29, 2023, the Task Force to Study and Develop Reparation Proposals for African Americans issued its final report to the California Legislature. The report surveys the ongoing and compounding harms experienced by African Americans as a result of slavery and its lingering effects on American society today, and proposes a comprehensive reparations plan pursuant to Assembly Bill 3121 (Weber), Chapter 319, Statutes of 2020.

While the Task Force does not have any recommendations related to prioritization for decedents of slavery via state environmental grant programs, it does recommend the Legislature "provide economic support to ameliorate the disparities through the development of climate resilience hubs, community-driven facilities that support residents, facilitate communication, distribute aid, and provide an opportunity for communities to become more self-sustaining during climate emergencies."

- 3) **Arguments in support.** The Environmental Justice League, a co-sponsor of this bill, argues that "the unrestricted net-assets of diverse-led organizations are consistently smaller than white-led organizations. With less staff, smaller budgets, and less funding, diverse-led organizations are excluded from traditional grant processes. This modern red-lining exclusion results in diverse-led organizations receiving less funding with more strings attached." Environmental Justice League asserts this bill will allow California to lead by example and "elevate projects sponsored by people of color in communities of color and in places that are designed to serve people of color. It will build Black, Brown, API, Native American, and Women's capacity to serve their communities."
- 4) **Double referral.** This bill was also referred to the Assembly Natural Resources Committee where it passed 9-0 on April 8, 2024.

REGISTERED SUPPORT / OPPOSITION:

Support

California African American Water Education Foundation (co-sponsor)
 Environmental Justice League (co-sponsor)
 40 Acre Conservation League (co-sponsor)
 Black Leadership Council
 Black Small Business Association of California
 Courage Campaign
 Greenlining Institute, The
 Justice2jobs Coalition
 Outward Bound Adventures

Opposition

None on file

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