
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 322 (Laird) - Grazing land: California Conservation Ranching Incentive Program

Version: March 7, 2021

Urgency: No

Hearing Date: March 22, 2021

Policy Vote: N.R. & W. 9 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would establish the California Conservation Ranching Incentive Program (program) at the Department of Conservation (DOC) to enroll private landowners or lessees of productive rangelands, grazing lands, or grasslands in contracts to restore, enhance, and protect the land's grassland habitat character.

Fiscal Impact:

- Unknown but potentially significant cost pressure, likely in the low millions of dollars (General Fund, bond fund, or special fund), one-time to fund the new program established by this bill (see staff comments).

Background: Existing law establishes several programs that support private landowners to conserve natural resources and provide habitat, among other things.

The California Farmland Conservancy Program (CFCP). CFCP offers grants for agricultural conservation easements and fee title, agricultural land improvement projects, conservation planning, and technical assistance. CFCP restricts the use of land improvement grants to lands protected by conservation easements, as specified.

The program has received funding from the General Fund, Environmental License Plate Fund, Soil Conservation Fund, and Propositions 12, 40, 68, and 84.

The California Waterfowl Habitat Program. This program offers 10-year contracts to private landowners or lessees of land to implement habitat management practices for the conservation of waterfowl and wetland habitat according to a management plan written by CDFW biologists. It pays \$30/acre (\$60/acre in the Tulare Basin) annually for the management of traditional (fall and winter-flooded) seasonal wetlands and uplands, and \$60/acre for the management of semi-permanent and reverse-cycle (spring and summer-flooded) wetlands.

When the Legislature established the California Waterfowl Habitat Program in 1987, it also established the California Waterfowl Habitat Preservation Account and deposited \$100,000 into that account. Any funding in the account is transferred to the State Money Investment Fund for investment, with any proceeds generated deposited back into the account, subject to an appropriation by the Legislature, for the purposes of the program. This endowment authority has provided a significant portion of the program's funding. The Cigarette and Tobacco Products Surtax Fund (Proposition 99) has also provided funding and, more recently, Proposition 68, which allocated \$10 million for the program.

The California Winter Rice Habitat Incentive Program. This program offers three-year contracts to private landowners or lessees to manage their winter-flooded, productive agricultural rice lands according to a management plan written by CDFW biologists. These plans require flooding of harvested rice fields for a minimum of 70 continuous days during the winter months (October through March). This program pays \$15 per acre per year.

The California Winter Rice Habitat Incentive Program received a \$5 million General Fund appropriation connected to the California Waterfowl Habitat Program, but with language “to include working agricultural rice fields.”

The Nesting Bird Habitat Incentive Program. The purpose of this program is to provide direct payments or other incentives to landowners to voluntarily cultivate or retain upland cover crops or other upland vegetation on idled lands to provide waterfowl, upland game bird, and other wildlife habitat cover. The program allows for one year or multiyear contracts.

The Nesting Bird Habitat Incentive Program has yet to be funded. The original legislation made implementation of the program contingent on either passage of Proposition 3, an \$8.9 billion bond on the November 2018 ballot, or the securing of a sufficient amount of federal grants or other funds. Proposition 3 failed at the ballot. AB 2106 (Aguiar-Curry, 2020) sought to generate funding by raising the upland game bird hunting validation and the state duck hunting validation fees. This was unsuccessful and to date no other funds have been secured.

Other Similar Programs. CDFW administers the California Landowner Incentive Program in partnership with the federal government to provide monetary incentives and technical assistance to private landowners. The Wildlife Conservation Board administers multiple grant programs for habitat restoration and conservation on private lands, mostly funded with general obligation bonds. Existing law directs the California Department of Food and Agriculture to establish the Environmental Farming Program, the Healthy Soils Program, and the State Water Efficiency and Enhancement Program.

Proposed Law: This bill would:

- 1) Establish the program as a separate component of the CFCP.
- 2) Establish requirements and priorities for enrollment in the program, including that the director:
 - a) Enroll productive rangelands, grazing lands, or grasslands that are determined by the director to be important for the conservation of grassland birds, soil health, and biodiversity.
 - b) Prioritize contracts that meet any of the following:
 - i) Have the greatest potential for restoring, enhancing, and protecting high-quality grasslands and grassland habitat, as specified.
 - ii) The land subject to contract is adjacent, or in close proximity, to a state wildlife area, national wildlife refuge, or land enrolled in a conservation easement or wildlife conservation program.
 - iii) The contract is consistent with a regional plan.

- c) May also prioritize contracts that provide additional environmental cobenefits, including to other species or natural resource concerns.
- 3) Establish requirements for the contracts, including regarding the term, the management plan, payment rates and details, conditions that would require the landowner or lessee to refund some or all of the payments or accept adjusted payments, and for monitoring compliance.
- 4) Authorize the director to offer grants under the program to nonprofit organizations, regional conservancies, and resource conservation districts (RCDs) to:
 - a) Assist DOC in the design, outreach, implementation, and monitoring of the program.
 - b) Provide direct technical assistance to owners or lessees for enrollment or implementation of the program.
 - c) Assist owners or lessees in the preparation of management plans, as specified, before a contract is entered into.
- 5) Establish the California Conservation Ranching Incentive Program Account in the California Farmland Conservancy Program Fund and makes funding in this account available for expenditure, upon appropriation, solely for the purposes of the program. The bill further authorizes:
 - a) 5 percent of the funds for administration costs.
 - b) 30 percent of the funds to provide grants to nonprofit organizations, regional conservancies, or RCDs for the purposes specified in the bill.

Related Legislation:

SB 45 (Portantino) would enact a new bond act to authorize \$5.51 billion in bonds for a wildfire prevention, safe drinking water, drought preparation, and flood protection program. It would make \$90 million available to DOC to protect and restore farmland and rangelands. This bill is in the Senate Governance and Finance Committee.

AB 434 (Robert Rivas) would authorize leases on certain state lands for fuel management purposes, as specified. This bill is in the Assembly Water, Parks and Wildlife Committee.

AB 614 (Aguiar-Curry) would authorize CDFW, under specified programs, to enter into grants or contracts directly with landowners and to partner with specified entities to help implement the programs. This bill is in the Assembly Water, Parks and Wildlife Committee.

AB 1500 (Eduardo Garcia) would enact a new bond act to authorize \$6.7 billion in bonds for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs. It would make \$50 million available to DOC for projects to protect, restore, and enhance farmland and rangeland. This bill is in the Assembly Water, Parks and Wildlife Committee.

Staff Comments: This bill would establish a new program, which creates cost pressure to provide funding for the program in future years. Based on funding levels for similar

state programs, staff estimates this bill would create cost pressure in the low millions of dollars to fund the new program that this bill would establish. Staff notes that the bill would provide for an administrative allocation to the Department of Conservation from any appropriation, which would support costs for implementing the program (developing guidelines, solicitations, application materials, and contract agreements).

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