



**Consideration of the Cycle 5 Proposition 1 Grant Guidelines
 Staff Report**

This agenda item presents the draft Grant Guidelines for Cycle 5 of the Conservancy’s Proposition 1 Ecosystem Restoration and Water Quality Grant Program for Board consideration.

RECOMMENDATION

Staff recommends that the Board approve the Draft Cycle 5 Proposition 1 Grant Guidelines so that staff may post the draft Grant Guidelines on the Conservancy’s website for public comment for 30 days. The final draft Grant Guidelines will be presented to the Board at a future Board meeting and the Cycle 5 grant solicitation is scheduled to open on August 1, 2021.

DESCRIPTION

To develop the Draft Cycle 5 Grant Guidelines, staff revised the Cycle 4 Grant Guidelines based upon feedback from the Board, grantees, stakeholders, Department of Finance auditors, and Conservancy staff and management. All substantive differences between the Cycle 4 and Cycle 5 Guidelines, the reason for the change, and the relevant page number(s) in the Draft Cycle 5 Grant Guidelines are explained in the table below. Minor changes to format, grammar, etc. are not included.

If the Board approves the Draft Cycle 5 Grant Guidelines, staff will post them to the Conservancy website for at least 30 days for public comment. All comments will be considered in developing the final draft to be presented to the Board for consideration at a future Board meeting. The Cycle 5 solicitation is scheduled to open on August 1, 2021.

Table 1: Substantive Differences Between Cycle 4 and Cycle 5 Guidelines

Change #	Change Made	Reason for Change	Page #
1	Added language to clarify the difference between "Grant Term" and "Grant Funding Term" and removed redundant language.	Clarify distinction between "Grant Term" and "Grant Funding Term" and increase readability.	9
2	Deleted "at a rate of" in relation to indirect costs.	Reduce confusion regarding a grantee’s individual indirect rate and the total amount of indirect that may be reimbursed.	11
3	Added acknowledgement that COVID-19 may impact site visits.	Impacts of the ongoing COVID-19 pandemic have required changes to site visit procedures, and these changes may persist for an uncertain length of time.	13

4	Changed "Grant Agreement Negotiation" to "Grant Agreement Completion".	Removes potential perception that during development of the grant agreement there is potential to negotiate substantive changes to grants awarded by the Board.	14
5	Removed figure indicating the grant cycle process.	Figure was redundant with the narrative.	N/A
6	Removed language regarding reservation of funds.	Reserving funds for projects is difficult, time consuming, and has significant, broad impacts to the Conservancy's budget. The Department of Finance has advised the Conservancy against the practice.	19
7	Made change from indicating grantees may be asked to provide timesheets to grantees must provide timesheets with 100 percent time accounting.	The Department of Finance auditors advised the Conservancy that 100 percent time accounting records should be provided by grantees.	29
8	Deleted "upon request" from sentence requiring grantees to provide copies of contracts.	The Conservancy had determined that it is best practice for grantees to provide copies of contracts.	29
9	Added language indicating that proof of payment must be provided.	The Department of Finance auditors advised that grantees submit proof of payment, not just proof costs have been incurred.	29 and 48
10	Added "Fair and reasonable purchasing and contracting" to purchasing and contracting.	Added in response to Department of Finance audit.	29 and 48
11	Deleted "legal" from list of examples of administrative support items that might be indirect costs.	There are significant nuances in determining whether legal expenses may appropriately be charged as an indirect cost. Including it as an example could lead to confusion.	30

12	Added language regarding purchase of equipment.	Clarifies that grantees own the equipment during the funding term, that justification for equipment must be provided at the time of application, and requirements for recordkeeping related to equipment.	30
13	Added “or conservation easement” to section related to acquisition costs.	Clarifies that provisions related to acquisition costs apply to conservation easements as well as the purchase of real property.	30
14	Generalized language regarding coordination of proposals among funders.	Language that was specific to coordinating with the California Department of Fish and Wildlife (CDFW) has been made more general so it applies to any project that is funded by multiple agencies. This change does not affect CDFW participation in review of solicitation proposals.	33
15	Added “generally” to language regarding payment on a reimbursement basis.	In rare instances in which a project can no longer proceed on a reimbursement basis, this addition allows the Conservancy to consider use of other options in order to maintain a project’s viability.	34
16	Added “or physical implementation” to language regarding disbursement of funds for implementation projects.	Clarifies that the provision applies to any physical implementation of an implementation project, not just construction.	34
17	Removed detailed amendment process and instead instructs grantees that amendments will be considered in limited circumstances and to discuss potential project changes with their grant manager.	Amendments are time and resource intensive and cannot impinge upon the competitive nature of the grant process. Assessing the feasibility of amendments is complex and should be discussed on a case by case basis with the grant manager who will advise the grantee how to proceed based upon Conservancy procedures and Board-approved process.	35

18	Added instruction for grantees to notify the Conservancy 10 days in advance of public event or media features.	Provides the opportunity for attendance and participation by Conservancy representatives.	36
19	Removed map of funded projects.	Makes the document more accessible to a greater number of people.	N/A
20	Removed the list of funded projects.	Was not instructive to providing guidance specific to Cycle 5. Information is available on the Conservancy's website.	N/A
21	Change "he/she" to "they" throughout the document.	Updated pronouns for greater inclusion.	Throughout

BACKGROUND

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program funds \$50 million in multi-benefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities. The Grant Program is a two-step process, requiring both a concept proposal and a full proposal. Grant guidelines provide applicants with information and instructions on applying to this program. The grant guidelines are updated for each solicitation cycle.

SUGGESTED MOTION LANGUAGE

Move that the Board approve the draft Cycle 5 Grant Guidelines, Proposition 1 Delta Conservancy Ecosystem Restoration and Water Quality Grant Program for the purpose of posting them for public comment.

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