

AMENDED IN ASSEMBLY MARCH 22, 2021

CALIFORNIA LEGISLATURE— 2021—2022 REGULAR SESSION

ASSEMBLY BILL No. 350

Introduced by Assembly Member Villapudua

January 28, 2021

An act to add Section 567 to the Food and Agricultural Code, relating to agriculture.

LEGISLATIVE COUNSEL'S DIGEST

AB 350, as amended, Villapudua. Agriculture: Cannella Environmental Farming Act of 1995: technical assistance grant program: groundwater conservation planning.

The Cannella Environmental Farming Act of 1995 requires the Department of Food and Agriculture, in consultation with the Scientific Advisory Panel on Environmental Farming, to establish and oversee a Healthy Soils Program to seek to optimize climate benefits while supporting the economic viability of California agriculture by providing incentives, including loans, grants, research, and technical assistance, or educational materials and outreach, to farmers whose management practices contribute to healthy soils and result in net long-term on-farm greenhouse gas benefits. In this connection, the department has also established the State Water Efficiency and Enhancement Program to provide financial assistance in the form of grants to implement irrigation systems that reduce greenhouse gases and save water on agricultural operations.

The Sustainable Groundwater Management Act provides for the sustainable management of groundwater basins by requiring local government agencies, including basins designated as high- or medium-priority basins by the Department of Water Resources, to take specified actions to conserve and regulate the extraction of groundwater in those groundwater basins.

This bill would require, upon an appropriation of funds, the Department of Food and Agriculture to establish and administer a 3-year grant program to fund technical assistance to support landowners located in critically overdrafted basins, as defined, in the San Joaquin Valley in reaching water use reduction goals established pursuant to the Sustainable Groundwater Management Act. The bill would require the department, in its development of the grant program, to establish various criteria, guidelines, restrictions, processes and regulations for the qualification and administration of grants to technical assistance providers, as specified. *The bill would require the grant program to fund one technical assistance provider in each of the 8 counties in the San Joaquin Valley.* The bill would require the department to ensure that at least 25% of the grant program funds are used to provide technical assistance to socially disadvantaged farmers and ranchers, as defined. The bill would require that technical assistance from the grant program be provided directly to landowners in critically overdrafted basins to design, develop, and implement on-farm conservation plans for agricultural lands that are at risk of falling due to water shortages. The bill would require that grants *awarded* to technical assistance providers *in each of the 8 counties in the San Joaquin Valley* not exceed \$100,000 in each year of the 3-year program, for a maximum of \$300,000 per technical assistance provider. *The bill would require the grant program not to exceed \$800,000 in grant funds awarded per year.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the San Joaquin Valley because the Sustainable Groundwater Management Act will have a staggering effect on the San Joaquin Valley; a region that is comprised of approximately 5,000,000 acres of irrigated agriculture, which equates to over 20% of its local economy.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

The Legislature finds and declares all of the following:

(a) In 2014 the Legislature passed and Governor Brown signed Assembly Bill 1739, Senate Bill 1168, and Senate Bill 1319 of the 2013–14 Regular Session, collectively known as the Sustainable Groundwater Management Act. The Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code) requires governments and water agencies of high- and medium-priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge.

(b) The Sustainable Groundwater Management Act will have a staggering effect on the San Joaquin Valley; a region that is already one of the most economically distressed in the state. The San Joaquin Valley is home to the majority of the state's overdrafted basins, and also overlays the majority of the disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code and low-income communities described in Section 39713 of the Health and Safety Code.

(c) The San Joaquin Valley alone is comprised of approximately 5,000,000 acres of irrigated agriculture which equates to over 20 percent of its local economy. The implementation of the Sustainable Groundwater Management Act is anticipated by the Public Policy Institute of California to transition an estimated 300,000 to 1,200,000 acres away from agricultural production in the San Joaquin Valley over the next two decades.

(d) Landowners will be faced with difficult decisions during the implementation of this state program, and not all are equipped to make informed land transition strategies on potentially affected parcels. The absence of technical assistance underscores the pressing need to align support for landowners to survey and create individual management plans that specifically address the impacts and opportunities on agricultural lands. Technical ~~advisers~~, *advisers*, or ombudspersons, can work with landowners to evaluate current and future agricultural resources and create plans that optimize and address continued economic viability and alternative management of their properties in critically overdrafted locations, thereby creating more economic certainty for the regions that are so heavily dependent on the agricultural economy.

SEC. 2. Section 567 is added to the Food and Agricultural Code, to read:

567. (a) Upon an appropriation of funds for the purposes of this section, the department shall establish and administer a three-year grant program to fund technical assistance to support landowners located in

critically overdrafted basins in the San Joaquin Valley in reaching water use reduction goals established pursuant to the Sustainable Groundwater Management Act set forth in Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code. *This grant program shall fund one technical assistance provider in each of the eight counties in the San Joaquin Valley.* The purpose of providing this technical assistance is to encourage innovation and alternative economically viable approaches to agricultural land management to prevent unnecessary fallowing.

(b) In developing and administering the grant program, the department shall do all of the following:

(1) Establish criteria and guidelines for technical assistance providers to qualify to receive grants to provide the technical assistance under this section. The criteria and guidelines shall require technical assistance providers to demonstrate previous experience providing agricultural-related technical assistance directly to individuals or entities in the San Joaquin Valley.

(2) Establish a process for prospective technical assistance providers to apply to the department to receive grants to provide technical assistance.

(3) Determine what type of entity may qualify as a technical assistance provider, including, but not limited to, nonprofit organizations, the University of California Cooperative Extension, and local agencies, including resource conservation districts.

(4) Establish a process for determining how to distribute grant funds to technical assistance providers in a way that ensures equitable access to technical assistance throughout critically overdrafted basins.

(5) Ensure at least 25 percent of the grant program funds are used to provide technical assistance to socially disadvantaged farmers and ranchers.

(6) Review grant program applications from technical assistance providers and recommend grant awardees to the secretary.

(7) Allow direct technical assistance costs and a percentage of overhead expenses, to be determined by the secretary, to be funded as part of the grant awards.

(8) Establish regulations that the technical assistance providers shall comply with when providing technical assistance or acting pursuant to this section.

(c) The technical assistance provided as a result of the grant program shall be provided as follows:

(1) Directly to landowners in critically overdrafted basins.

(2) To design, develop, and implement on-farm conservation plans for agricultural lands that are at risk of fallowing due to water shortages. The purpose of the on-farm conservation plans is to recommend how to transition agricultural lands to lower water intensive uses, such as adjustments to crop type, irrigation efficiency improvements, and water infiltration practices, while still being agriculturally productive and avoiding permanent fallowing where possible.

(d) The technical assistance provided as a result of the grant program may include, but is not limited to, conducting initial outreach to landowners, assisting landowners in determining whether they are eligible to receive technical assistance through the program, linking landowners with existing state and federal funding programs, and assisting landowners with on-farm conservation plan design, development, and implementation.

(e) The secretary shall award grants to technical assistance providers *in each of the eight counties in the San Joaquin Valley* that shall not exceed one hundred thousand dollars (\$100,000) in each year of the three-year program, for a maximum of three hundred thousand (\$300,000) per technical assistance provider. *The grant program shall not exceed eight hundred thousand dollars (\$800,000) in grant funds awarded per year.*

(f) For purposes of this section, the following definitions apply:

(1) "Critically overdrafted basin" means the basins identified as critically overdrafted by the Department of Water Resources.

(2) "Landowner" means an owner of the land that would benefit from the technical assistance or a lessee or other entity designated by the lessor or owner as having the authority to implement an on-farm conservation plan on the land that would benefit from the technical assistance.

(3) "On-farm conservation plan" means the planning document that describes the natural and agricultural resources of the landowner's property, documents practices used to protect existing water resources, identifies opportunities to maintain or improve the quality of natural resources on the property, and prioritizes management practices according to the landowner's needs, goals, and timelines.

(4) "San Joaquin Valley" means the area comprised of all of the counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.

(5) "Socially disadvantaged farmers and ranchers" has the same meaning as defined in Section 512.

(6) "Technical assistance provider" means an entity that receives grant funds from the department and provides technical assistance to landowners.

SEC. 3.

The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code) will have a staggering effect on the San Joaquin Valley; a region that is comprised of approximately 5,000,000 acres of irrigated agriculture, which equates to over 20 percent of its local economy.