

October 31, 2024

**Subject:** Update on Council Priority 2: Capacity Building as Equity Strategy  
**Reporting Period:** August 2023 – October 2024  
**Staff Lead:** Hoi-Fei Mok, Deputy Director of Equity and Government Transformation

---

## Summary

In January 2022, The California Strategic Growth Council (SGC) took formal action to promote capacity building and increase access to critical state funding resources with a focus on the state's most disadvantaged communities. With historic funding available at the state and federal government levels to tackle critical issues around climate change and access to opportunity, this work is more important than ever. When the Council adopted a formal resolution on capacity building as a key equity strategy, both members of the Council and the public recognized that for the State of California to meet its commitments to addressing climate change in partnership with the state's most vulnerable communities, California must adopt a whole-of-government approach and prioritize capacity building and technical assistance at two complementary scales:

- The state must transform the structural conditions from the top-down so that all communities, small and large, can participate and lead on climate actions.
- The state must support under-resourced communities from the bottom-up to gain equitable opportunity and access to tools to lead their own transformations.

Since the adoption of the resolution, significant progress was made in increasing authority across state programs to enable provision of advance payment of grant funds to underserved communities. ABs 156 and 211 (House Budget Committee, 2022) expanded advance payment to six state grant programs prioritizing recipients and projects serving disadvantaged, low-income, under-resourced, and California Native American Tribal communities. The success of this pilot legislation led to the passage of AB 590 (Hart, 2023) to authorize advance pay of grant and contract funds to community-based non-profits up to 25% of the annual allocation. However, many communities and agencies do not have full understanding of how to utilize advance pay, so there are opportunities for more effective implementation through deeper outreach, trainings, and sharing of best practices.

To continue implementing the vision for capacity building, SGC staff have identified key actions to remove barriers and increase access to state resources as well as promote capacity building within state programs. This workplan leverages the existing interagency coordination spaces and needs named by communities. The following tasks are proposed:

- Increase utilization for advance pay through statewide trainings, outreach, and interagency coordination and convenings
- Deepen tribal support across SGC programs and identify opportunities for expansion
- Establish an interagency technical assistance work group through the Community Assistance for Climate Equity (CACE) Program

- Conduct internal evaluations of grant management processes with Council agencies through the Health in All Policies (HiAP) Task Force to identify additional opportunities to streamline and improve public access
- Develop Inclusive Grant Making check list through the HiAP Task Force to ensure consistency across state programs and inclusion of capacity building strategies

## Background

Communities facing existing inequities are often most vulnerable to climate change and other disasters and least equipped to respond. Barriers to accessing the state funding and resources to address the climate crisis are at a structural level. The SGC identified a few key priorities that the next year's work can focus on that would have significant impact on how communities can better access resources.

### Advance Pay

The SGC began implementing advance payment legislation last fall with participants from the Transformative Climate Communities (TCC) Round 4 and 5, Regional Climate Collaboratives (RCC), Community Resilience Centers (CRC), and the Tribal Capacity Building Pilot Programs. During that time, SGC staff were able to expand their technical assistance (TA) to assist applicants and awardees in fully understanding how to utilize advance payment. With the multiple pieces of legislation that support advance payment and eligibility of different organizations such as tribes and local governments, state programs must navigate these with updated guidance language to their programs. One of the tribal non-profits engaged on advance pay have expressed how complex the awards are and the many obligations on their capacity.

Recently, the TCC team held a workshop with more than 120+ awardees and partners to demonstrate advance payment and the resources created to ensure awardees can successfully comply with the requirements. Based on the feedback received on the workshop and in the advance payment implementation thus far, it is clear that many communities and agencies still need greater understanding of the legislation to better utilize the pathway.

There are several opportunities for SGC staff to support more effective implementation of advance payment. Internal evaluation and refinement of SGC advance payment processes is a first step. Conducting outreach and trainings to both communities and state agencies will help establish new programs with advance pay. Finally, sharing SGC's learnings and other agencies' best practices on improved procedures through interagency convenings will streamline existing program processes.

### Tribal Support

Historically, tribes have had limited access to state resources due to ineligibility, capacity challenges, and administrative barriers. Non-federally recognized tribes often have difficulty securing funding and are reliant on community support, donations, and state grants. The state's historic disinvestment, forced displacement, and countless atrocities towards tribes have contributed to their unique challenges accessing capital. Tribes that have limited capacity and

funds are disproportionately impacted and especially vulnerable to climate change impacts that threaten tribal cultural resources and disrupt their ecosystems, traditional practices, and livelihoods.

The SGC's Strategic Plan and Racial Equity Action Plan includes initiatives and goals around prioritizing tribal support and developing more culturally appropriate pathways for tribes to engage with state programs. The SGC has already identified several areas of potential expansion and redesign. The Affordable Housing and Sustainable Communities (AHSC) Program had received detailed feedback that tribal applicants face multiple barriers in being able to access the grant funds and a stand-alone Tribal Housing program may be one potential pathway forward. The Tribal Capacity Building Program was heavily oversubscribed in its first round, giving concrete evidence to the feedback often heard by SGC staff that the top barrier faced by tribes is their lack of capacity to implement climate action projects. More funding investment in this program can expand to reach more tribes. Finally, background research on how state agencies are addressing waivers of tribal sovereign immunity could be conducted as SGC staff have consistently heard from tribal stakeholders this is the top barrier to tribes being able to access state funds and resources.

### **Technical Assistance Work Group**

State-provided technical assistance (TA) is essential and foundational to ensuring under-resourced communities can be ready to access the tools, resources, and funding necessary for transformation. The SGC's analysis shows that grant applicants who don't already have technical assistance and capacity-building support don't compete for funding as well as applicants with these types of resources. Providing pathways and strategic support for these applicants aligns with SGC's Racial Equity Action Plan and Strategic Plan goals.

The SGC's Community Assistance for Climate Equity (CACE) program serves as a coordinating entity within SGC and across state government to support, promote, and implement TA and capacity building initiatives. The CACE team lead the 2020 interagency Technical Assistance Work Group for the development of the state TA guidelines and the 2023 update to the TA guidelines. Staff have received numerous requests from state and federal agencies for guidance related to providing TA and the 2020 Technical Assistance Guidelines Overview webinar has received nearly 50,000 views and is SGC's most watched video. Staff have also offered presentations and trainings to state agencies on structuring and implementing TA and requests for guidance on developing TA programs continue to increase.

With the increase in requests for guidance, the revival of the Technical Assistance Work Group will allow SGC to more efficiently support TA implementation and capacity building in state government. This will leverage the existing partnerships from the 2023 guidelines update as well as the input of stakeholders in the Health in All Policies (HiAP) work group on Grant Programs, Contracts, and Funding Equity. The CACE team will lead peer sharing of best practices and case studies.

### **Health in All Policies (HiAP) Task Force**

SGC's HiAP Task Force is a collaborative interagency coordination space to embed health, equity, and sustainability into state decision making and improve the health of all people in California. In fall 2020 to summer 2021, the HiAP Task Force conducted a stakeholder engagement survey to identify the top barriers for health and equity implementation. The top six barriers identified included: funding limitation and siloing; funding and contracting rules, restrictions, and policy barriers; lack of coordination among agencies, issue areas, and priorities; information gaps; lack of data and assessment; and language access. These became the foundation for the Task Force's goals: improve burdensome programs guidelines, protocols, and budgets; advance contract and funding equity; increase equitable access to information and data; and build capacity and racial equity competencies. The HiAP Task Force currently has two work groups focused on Grant Programs, Contracts, and Funding Equity as well as Equity in Data & Access to Information.

Grant management processes were identified by SGC staff as a top barrier for access to state resources. Given the HiAP Task Force's alignment with this body of work, SGC staff plan to coordinate the internal evaluations of grant management processes and development of inclusive grant making check list with the Task Force members. This will leverage the existing interagency coordination and work on these goals.

### **Next Steps**

CACE program staff will move forward with establishing the Technical Assistance Work Group. The HiAP Grant Programs, Contracts, and Funding Equity Work Group will start developing a work plan around the grant management processes. The SGC staff will work across programs to identify opportunities to host advance pay trainings and an interagency convening to share best practices, as well as evaluating tribal program support.

