

# Funding Issue Package for Technical Service Provider Match

Washington State Conservation Commission

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## **Fiscal Detail**

**FY 2008**

614,000

**FY 2009**

614,000

## **Program or Project Summary Text**

An installation backlog of 5,898 conservation practices currently exists in Washington State. Land managers throughout the state have contracted for these practices through the USDA Environmental Quality Incentives Program (EQIP) and other USDA conservation programs. A lack of needed available technical assistance and engineering services has led to this practice application backlog. The Technical Service Provider (TSP) program will provide the needed state funding to match the 50% contribution match needed to receive federal funding for conservation practice application additional technical assistance to be provided by conservation districts. The result will lead to accomplishments of natural resource conservation goals throughout the state. The funding request includes \$928,000 state matching funds, authorization to receive and expend the matching amount of federal funding (\$928,000) and the \$266,000 needed to support engineering technical services related to conservation district engineering assistance for conservation practice application.

## **Package Description with Narrative Justification and Impact on Agency & Statewide Results**

It has long been recognized that private landowner/operators have a large and important role to play in improving water, soil, and air quality as well as protecting and improving fish and wildlife habitat (including the recovery of salmon). USDA has brought millions of dollars to Washington State for financial and technical assistance to landowner/operators of private working lands. Agricultural lands total 15.7 million acres or 37% of the land base in Washington State. To meet the needs of both private landowners and the natural resources they manage, a wide array of conservation programs have been targeted to specific landowner and resource needs.

As an example, the Environmental Quality Incentives Program (EQIP) program, which is driven by local land managers and agencies through the Local Work Group process, has been so successful that over 5,898 practices have been contracted but not yet implemented according to August 2006 data provided by the USDA Natural Resources Conservation Service. The backlog of practices include 1350 practices related to irrigation water conservation, 1233 practices related to nutrient management and animal keeping including 280 fencing practices, 521 pest control practices, 216 grazing practices, 114 forestry practices and the remaining practice are erosion control and agronomic conservation practices. See detail in Appendix 1.

The causes for this practice application backlog include the available technical & engineering capacity of USDA has been reduced, even with increased federal investment in farm bill conservation programs administered by the Natural Resource Conservation Service (NRCS) and Farm Service Agency (FSA), the resulting lack of technical assistance including engineering assistance to land managers who have committed to conservation plans. Washington States USDA-NRCS staffing is estimated to be 175 FTE for the upcoming federal fiscal year, reduced from the current staffing level of 202 FTE.

There exists too much work for existing USDA staff, but there are trained qualified conservation district professionals available to lend a hand. One option that has recently developed to compensate for the shortfall in technical staff is to provide for Technical Service Provider (TSP) agreements, which allow non-federal sources to provide assistance in designing and implementing conservation practices. These agreements have resulting in successful increase in conservation practice application in Idaho, Kentucky,

Minnesota, Mississippi, New Jersey, South Carolina, Vermont, Arkansas, New Mexico, Oklahoma, West Virginia, Michigan.

The Washington State Conservation Commission and NRCS have developed an umbrella agreement for local Conservation Districts to do TSP work. This agreement requires a 50% contribution match from the Conservation Commission/Conservation Districts. An original agreement was for approximately \$500,000 for one year, which would have provided a total of \$1,000,000 for funding to complete projects associated primarily with EQIP. All 47 Washington Conservation districts were afforded the opportunity to participate in this program but few accepted it because most districts do not have funding available for the 50% match without taking away from existing district programs, including Best Management Practice (BMP) implementation cost-share. If this matching money from NRCS is not used, the unused portion would have to be returned to USDA.

NRCS currently has a backlog of more than \$20 million worth of practices / projects that have been approved, but need to be designed before the implementation phase can begin. Without assistance from the state, the number of backlogged projects will increase as new EQIP contracts and other programs are approved and funded. We ask the legislature and the governor to take advantage of this opportunity not only to eliminate the backlog of needed conservation practices, but also maintain the flow of EQIP farm bill dollars to this state. The result will be conservation practices on the landscape that will improve water quality, improve soil quality, prevent soil erosion, build habitat, and improve air quality for our citizens.

#### **Business Problem Driving this Request**

Land managers throughout the state who have contracted to apply conservation practices through available cost sharing programs of USDA have been waiting for technical assistance and/or engineering services to complete the installation of the conservation practices on lands they manage. The delays are disruptive to their farming, ranching and forestry operations and are costly not only in time and related stress, and the resulting out-of-pocket increases in the practice materials including piping, fencing, plant materials, erosion prevention materials. Once a contract is signed for practice application the cost shared amount from the federal government is finalized. Therefore each delay in practice application and related increase in cost of the practice materials and labor is a financial burden that rests solely with the land managers / land owners. Farm supply retailers who would supply materials for practice application have had to hold inventory ordered to be sold for project activities. The increase in technical assistance including engineering services provided by the state funding of match dollars will speed the conservation practice application and reduce the financial burden on our farmers, ranchers, foresters, and farm supply retailers across the state.

#### **Incremental Changes**

Through an umbrella agreement with USDA NRCS and WSCC, WSCC will provide matching grants to districts for technical assistance work defined by the Conservation District and NRCS field staff resulting in the application of conservation practices currently backlogged. WSCC will administer the grants and track the activities, accounting, and matching requirements and bill NRCS for federal share of the TSP agreements. Conservation practice application will occur throughout the biennium with long term natural resource conservation benefits occurring for several years after the practice application. Funding for the engineering technicians will provide an immediate solution to the conservation practice application requiring engineering services.

#### **Specific Benefits of this Project**

The result will be conservation practices on the landscape throughout the state that will improve water quality, improve soil quality, prevent soil erosion, build habitat, and improve air quality for our citizens. These conservation practices included in this proposal are already contracted through the federal USDA programs, and will be applied using the technical standards of USDA-NRCS, the existing agreements and structure of the WSCC, Conservation Districts, and NRCS. Land managers/owners will receive the needed technical support and incentive to continue their voluntary conservation planning and practice

application. The resulting practice application will lead to the accomplishment of immediate, intermediate and ultimate outcomes, of the WSCC strategic goals of sustaining or improving and increasing habitat for fish and wildlife, changing individual behaviors & choices, improve, maintain, restore water quality for beneficial uses, improving watershed health, and increasing productivity of land and sustaining natural resources. WSCC Strategic Plan included in overall budget package information.

### **Impact on clients and services**

Demand has remained high across the state for conservation practice application technical assistance. Conservation Districts and the Natural Resources Conservation Service have a substantial backlog of conservation practices needing implementation. Reduced federal staffing to implement the contracted practices and a directive to enter into contracting for some of these services has further increased the backlog of implementation.

A shortage of technical assistance, which is becoming common, leads land managers (clients) to become frustrated. They stop pursuing conservation goals if they cannot obtain technical aid, cost sharing funds, or other services needed to develop conservation plans and implement practices. The funding of the state match of TSP agreements and engineering technicians will address this technical assistance and engineering service need for the contracted conservation practices needing to be installed.

### **Impact / Relationship to Other State Programs or Units of Government**

Other potential partners positively impacted by funding of the TSP match and engineering technicians include federal all natural resource agencies, including the USDA Natural Resources Conservation Service; Farm Services Agency. State funding for conservation district technical assistance is needed to capture federal technical assistance and funds that are available only when matched from non-federal sources. This strategy will generate the much-needed expansion of technical capacity to meet the State's natural resource protection needs.

Washington State Natural Resource Agencies (Agriculture, Natural Resources, Ecology, Parks, Fish and Wildlife) can benefit toward their natural resource conservation goals through the funding of this budget proposal. Both State and Federal agency leaders could work together with local conservation districts to eliminate existing barriers to client participation in programs including the current conservation practice installation backlog.

Non-government natural resource organizations, natural resource industry groups, and environmental organizations can benefit from the resulting conservation practice application. Non-government agricultural associations can also assist by promoting conservation planning and practices to their members, by recommending ways to improve technical assistance and engineering services and by supporting conservation district requests for funding. Landowner clients will benefit from the collaboration and have engaged voluntarily in recommended practices when, in other similar situations, regulatory enforcement has been less successful and more costly to all parties.

### **Alternatives explored by agency & why is this the Best Option or Alternative**

The best alternative explored by WSCC is the state match funding that will utilize new federal funding to increase the conservation district technical assistance and engineering services and result in the increased application of backlogged conservation practices. This alternative builds capacity in the already effective conservation district structure, provides an increase in local jobs and economic improvement in small rural communities, utilizes existing WSCC/NRCS/Conservation District agreement structure, vouchering, accounting, and reporting mechanisms .

Other alternatives explored include: doing nothing, having USDA contract with some other organization other than conservation districts. Not utilizing the federal match TSP dollars was not considered to be a good alternative because of the loss of the federal match, continued frustration among the clients of the conservation districts, and the delay in application of the conservation measures to address the natural

resource concerns of water pollution, soil quality, erosion control, habitat improvement, and water conservation. If USDA was to contract with some other organization they would have to create the organizational structure, protocol, agreements, accounting, reporting, and employing personnel whereas with the WSCC/NRCS/Conservation District structure is in place.

**Required changes to existing RCW, WAC, contract, or plan:**

No required changes to RCW, WAC. The activity will require authorization to receive and expend the federal funding, a umbrella contract between USDA Natural Resources Conservation Service and WSCC, individual agreements between WSCC and each district participating in the TSP program including task orders for technical assistance and engineering work to be done through the district / WSCC agreements and the fiscal detail related to the work to be completed.

**Program Expenditures**

A new appropriation of \$1,228,000 for the 2007-2009 biennium to be added to the Conservation Commission budget to match dollar-for-dollar the federal investment in TSP agreements for conservation districts to work with federal agencies to implement farm bill programs. This investment will need to be on a long-term basis and not re-allocated from present funding.

**Fiscal Detail**

**FY 2008**  
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**Impact on the State's Operating or Capital Budget & Future Biennia Budget Impacts**

Among the impacts of this budget request is the ability of the state to receive additional federal funding for conservation practice application resulting in an increase in the technical assistance and engineering services for conservation practice application beyond current levels. Cost share for practice application under this TSP program is already provided through federal funding of USDA programs and private land owner/manager cost share dollars.

Matching funding for TSP agreements will result in a reduction in the current backlog of conservation practices. It is anticipated that the technical assistance needs will not be reduced in future biennia based on the willingness of private land owners/managers to continue to contract for and apply conservation practices.

**Reason for change:**

The primary reason for change in budget is to assist private land managers across the state with their desire to voluntarily apply conservation practices to lands they manage by capitalizing on the opportunity to receive a 50% federal funding match to address the technical assistance and engineering needs resulting from successful promotion of the existing USDA conservation programs to our private land managers throughout the state. The locally prioritized, voluntary participation approach has been so successful that it has overwhelmed the technical assistance and engineering services not already committed to other conservation practice application.

**Agency's Proposed Funding Strategy for the Project**

WSCC will utilize the state funding as match to federal Technical Service Provider funding through an umbrella agreement with USDA-NRCS. Conservation District staff and board members will work with NRCS field staff to develop work task orders and budgets for the technical assistance and engineering services. The work task orders and budgets will be developed into agreements between WSCC and each participating Conservation District. WSCC will bill USDA – NRCS once a quarter for the federal share of the tasks completed. Federal funding and private funding will be utilized for the cost share of the conservation practices.

**Distinction Between One-Time and Ongoing Costs**

This funding request will address the biennium one-time need for technical assistance and additional engineering services related to the backlog of contracted the federal cost shared conservation practices.

Throughout the biennium the results of addressing the backlog of conservation practice application will be evaluated. Future funding for this type of technical assistance will be based on actual need.

**Effects of non-funding:**

The largest impact of not funding this budget package is the delaying of conservation practice application on the landscape that would improve water quality, improve soil quality, prevent soil erosion, build wildlife and fisheries habitat, and improve air quality for our citizens. Another effect of not funding this budget package would include the increasing frustration and stress to land managers/owners that willingly have agreed to apply conservation practices and have been delayed. The increased cost of practice application to the land managers/owners is also an effect of not funding this budget package.

**Expenditure calculations and assumptions:**

The expenditures are based on the assumptions of a 50% match state funding from the federal USDA Natural Resources Conservation Service and the needed state authorization for the WSCC to receive and utilize the federal funding. The budget figures are based each of the 47 Conservation Districts forecast of both the non-engineering (\$583,000) and engineering (\$345,000) TSP agreements and increased funding for engineering technicians (\$300,000).

## Appendix 1

## Backlog of Practices

## Data from USDA Natural Resources Conservation Service – July 2006

Sum of Remaining Conservation Practices to be Installed as of July 2006	Fiscal Year					
	2002	2003	2004	2005	2006	Total
Practice						
Access Road (560) ft		0	1	11	22	34
Animal Trails and Walkways (575) ft	0	0	4	5	17	26
Anionic Polyacrylamide (PAM) Erosion Control (450) ac				1	3	4
Atmospheric Resource Quality Management (370) ac					4	4
Brush Management (314) ac				1	1	2
Channel Bank Vegetation (322) ac					7	7
Channel Stabilization (584) ft		0	1	8	17	26
Composting Facility (317) no			1	7	5	13
Conservation Cover (327) ac	0	0	2	8	17	27
Conservation Crop Rotation (328) ac	1	0	1	5	1	8
Contour Buffer Strips (332) ac	0				1	1
Controlled drainage (Ac) (335)(Number)	0	0	0	6	11	17
Cover Crop (340) ac	0	0	6	17	48	71
Critical Area Planting (342) ac	0	1	4	22	47	74
Cross Wind Ridges (589A) ac		0	1	1	14	16
Dam, Diversion (348) no			0			0
Deep Tillage (324) ac	0	1	2	5	20	28
Dike (356) ft			1			1
Diversion (362) ft	1	1	2	3	8	15
Drainage Water Management (554) ac				2	10	12
Fence (382) ft	3	3	28	85	161	280
Field Border (386) ft		0	1	7	23	31
Filter Strip (393) ac	0	2	5	19	16	42
Filter strip (w/ trees and shrubs) (Ac) (393A)			2	2		4
Fish Passage (396) no			4	3	3	10
Forage Harvest Management (511) ac	0	0	0	0	3	3
Forest Stand Improvement (666) ac	0	0	1	21	54	76
Forest Trails and Landings (655) ac	0	0	0	0	1	1
Fuel Break (383) ac					1	1
Grade Stabilization Structure (410) no		0	0		2	2
Grassed Waterway (412) ac	0	0	1	4	10	15
Grazing Land Mechanical Treatment (548) ac					1	1
Heavy Use Area Protection (561) ac	0	0	8	31	36	75
Hedgerow Planting (422) ft	0	1	0	4	10	15
Irrigation erosion control, polyacrylamide (Ac) (716)	0	0	7	6	10	23
Irrigation System, Microirrigation (441) ac	6	1	4	29	67	107
Irrigation System, Sprinkler (442) ac	6	11	32	42	121	212
Irrigation System, Surface and Subsurface (443) ac	0	0				0
Irrigation System, Tailwater Recovery (447) no	0	0				0
Irrigation Water Conveyance, Pipeline, High-Pressure, Underground, Plastic (430DD) ft	0	0	13	24	63	100
Irrigation Water Conveyance, Pipeline, Low-Pressure, Underground, Plastic (430EE) ft	2	1	6	3	16	28
Irrigation Water Conveyance, Pipeline, Rigid Gated Pipeline (430HH) ft		0	3	0	6	9
Irrigation Water Conveyance, Pipeline, Steel (430FF) ft		0	0		2	2
Irrigation Water Management (449) ac	36	20	71	174	507	808
Land Clearing (460) ac	0					0
Manure Transfer (634) no	1	0	6	26	21	54

Mulching (484) ac	0	0	1	17	31	49
Nutrient Management (590) ac	34	21	80	199	327	661
Obstruction Removal (500) ac					2	2
Open Channel (582) ft				1	5	6
Pasture & hayland management (Ac) (510)	0	0	1			1
Pasture and Hay Planting (512) ac	1	0	7	32	59	99
Pest Management (595) ac	31	18	66	134	272	521
Pipeline (516) ft	1	2	12	76	130	221
Pond (378) no	1	0	0	12	18	31
Pond Sealing or Lining, Bentonite Sealant (521C) no			1	2	3	6
Pond Sealing or Lining, Flexible Membrane (521A) no		1	0	1	1	3
Prescribed Grazing (528) ac			1	12	42	55
Prescribed Grazing (528A) ac	4	4	11	28	32	79
Pumping Plant (533) no	3	1	6	28	44	82
Range Planting (550) ac	0	0	1	5	6	12
Residue and Tillage Management, Mulch Till (345) ac					32	32
Residue and Tillage Management, No-Till/Strip Till/Direct Seed (329) ac					77	77
Residue Management -Direct Seed (777) ac		0	0	5	149	154
Residue Management, Mulch Till (329B) ac	0	1	3	5	47	56
Residue Management, No-Till/Strip Till (329A) ac	1	0	0	9	34	44
Residue Management, Seasonal (344) ac	0	0	1	1	10	12
Restoration and Management of Rare and Declining Habitats (643) ac			4	25	57	86
Riparian Forest Buffer (391) ac	0	1	3	3	3	10
Rock Barrier (555) ft				1		1
Roof Runoff Structure (558) no	0	0	3	19	24	46
Sediment Basin (350) no	0	1	0	3	7	11
Spring Development (574) no	0	2	8	30	41	81
Stream Crossing (578) no				1	2	3
Stream Habitat Improvement and Management (395) ac	0	0	0	8	11	19
Streambank and Shoreline Protection (580) ft	2	0	5	32	11	50
Stripcropping (585) ac					0	0
Structure for Water Control (587) no	0	0	8	6	24	38
Subsurface Drain (606) ft				1	5	6
Terrace (600) ft		0		0	4	4
Tree/Shrub Establishment (612) ac	0	0	9	87	140	236
Tree/Shrub Pruning (660) ac			0	4	8	12
Tree/Shrub Site Preparation (490) ac	0	0	3	66	71	140
Underground Outlet (620) ft	0	0	3	22	23	48
Upland Wildlife Habitat Management (645) ac	1	1	21	48	80	151
Use Exclusion (472) ac	0	1	9	27	36	73
Waste Management System (312)	0	0	1	9	6	16
Waste Storage Facility (313) no	0	2	4	35	32	73
Waste Utilization (633) ac	0		1	1	4	6
Water and Sediment Control Basin (638) no			0			0
Water Well (642) no	1	1	1	10	18	31
Watering Facility (614) no	1	4	20	77	132	234
Wetland Enhancement (659) ac					1	1
Wetland Restoration (657) ac		0	1	1	7	9
Wetland Wildlife Habitat Management (644) ac			3	2	4	9
Wildlife Watering Facility (648) no		0	0	3	9	12
Windbreak/Shelterbelt Establishment (380) ft					4	4
Total	137	103	516	1670	3472	5898