



National Association of Conservation Districts

March 1, 2019

The Honorable Bill Northey
Under Secretary
Farm Production and Conservation
1400 Independence Ave, S.W.
Washington, D.C. 20250

Dear Under Secretary Northey,

The National Association of Conservation Districts (NACD) represents America's 3,000 locally-led conservation districts working with millions of landowners and operators to help them manage and protect land and water resources on private and public lands. Established under state law, conservation districts share a single mission: to work cooperatively with federal, state, and other local resource management agencies and private sector interest groups to provide technical, financial and other assistance to help landowners and operators apply conservation to the landscape.

NACD and our member districts and state associations were engaged with Congress throughout the legislative process of writing and passing the 2018 Farm Bill, and we look forward to continuing to work with USDA as the legislation is implemented and applied on the ground. We appreciated the opportunity to provide oral comments during the Farm Production and Conservation (FPAC) listening session on February 26 and the chance to provide more in-depth written comments today. We are hopeful that the comments provided below will be helpful as USDA prepares to write proposed rules for the various programs under the FPAC mission area.

NRCS Questions

1. Specific ideas to simplify program implementation and enhance customer service.

Simply stated, the most important way to ensure that customer service is enhanced is to ensure that NRCS field offices have the necessary staff to not only implement the new changes included in the 2018 Farm Bill but to continue meeting the needs of the customers that NRCS and conservation districts work together to serve. NRCS staff are funded both through mandatory farm bill dollars and the discretionary Conservation Technical Assistance (CTA) program. Over the last several years, NACD has been pleased to see Congress' support for the delivery of conservation programs by maintaining overall funding for conservation programs in the 2018 Farm Bill and incrementally increasing the discretionary funding appropriated to the CTA program.

Unfortunately, we have not seen the accompanying hiring at NRCS necessary to meet the customer service needs of our nation's producers. Data included in the President's 2019 Budget Request indicated that NRCS will have almost 2,000 less permanent positions in FY 2019 versus FY 2017, and these staffing restraints are compounded by a 61 percent increase in attrition at NRCS between the first quarters of FY 2017 and FY 2018. While we appreciate recent hiring authorities provided to NRCS, the FPAC mission area must continue focusing on hiring at NRCS. Without sufficient NRCS staff in place, as is the case today, USDA's customer service and conservation program implementation are negatively impacted.



3. Mechanisms to improve the targeting of financial resources to address resource concerns.

Conservation districts were created in order to provide USDA the local knowledge needed to successfully implement conservation programs and the credibility to local landowners that USDA programs will work to meet each acre's unique needs. Conservation districts have the responsibility to convene Local Working Groups, which act as subcommittees of the State Technical Committees (STCs), informing them of the greatest resource concerns at the local level.

This process ensures that farm bill conservation programs are targeted to each state's unique needs and have the best chance to address each operation's natural resource needs. When producers are confident that the available programs will meet their unique needs, they are more likely to embrace the implementation of conservation practices on their operations.

Within the 2018 Farm Bill, STCs, and by virtue of their connection, Local Working Groups, are singled out numerous times as providers of information to help implement various programs. In the new Soil Health & Income Protection Pilot Program, STCs are to be consulted to determine the locations for eligible land and the type of cover crop that should be planted in these shorter contracts to improve soil, water and wildlife resources. In the Environmental Quality Incentives Program (EQIP), the new farm bill allows up to 10 practices to receive increased payment rates to further incentivize those practices, and STCs are to be consulted to help make that determination. The new farm bill also creates new incentive contracts under EQIP, and STCs will help identify which watersheds and regions, as well as which priority resource concerns should be eligible for these incentive contracts. Under the new Source Water Protection section, the Secretary must work with STCs and water utilities to identify priority areas for source water protection.

Additionally, conservation districts have seen some Regional Conservation Partnership Program (RCPP) projects that could have better targeted limited financial resources if more input were requested from local conservation districts. In some instances, projects were approved that provided financial assistance to address a resource concern that wasn't identified as a priority by a Local Working Group within the project's boundaries. Due to these concerns, Congress encouraged potential project partners to engage with conservation districts for input and feedback and directed NRCS to include whether this engagement occurred within its ranking criteria.

These examples are just a few of the areas in the 2018 Farm Bill where Congress clearly intended for USDA to utilize conservation districts' locally-led involvement in STCs and let this local input be the driver behind how decisions are made. NACD strongly encourages USDA to embrace the locally-led aspect of conservation delivery, because in doing so, USDA will be able to improve the targeting of farm bill dollars directly to the greatest resource concerns.

4. The 2018 Farm Bill introduced a new incentive contract enrollment option for EQIP that provides for practice installment and annual payments. How should EQIP and CSP be used in conjunction with each other to prevent overlap and improve opportunities for producers to address resource concerns?

NACD was pleased to see Congress ultimately leave EQIP and CSP as separate programs and encourages NRCS to continue implementing them to meet their unique purposes. While the new EQIP incentive contracts do mimic traditional CSP contracts in some areas, there are still distinct differences that should prevent overlap and if implemented correctly, will add an additional type of contract to help meet the needs of different producers.



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Similar to the traditional EQIP contract, incentive contracts do not have to be applied to a producer's entire operation. This difference is key as NACD has heard anecdotal evidence that the whole-farm requirement to be eligible for a CSP contract can be a hindrance to some producers. Producers must also meet two resource concern thresholds in order to be eligible for CSP. Producers who want to begin focusing on conservation on their operation may not meet two resource concerns already, and previously, their only alternative was to implement a single conservation practice over the course of a two- to three-year traditional EQIP contract.

The new EQIP incentive contracts will allow producers to implement a suite of practices by offering annual payments rather than cost share without having to meet the more rigorous eligibility standards required by CSP. We think this new incentive contract will be attractive to beginning and historically underserved producers and will help serve a new group of producers who weren't previously served by CSP.

10. For RCPP:

Conservation districts across the country have embraced RCPP over the last five years and have been lead sponsors on over 25 percent of all approved projects. This figure does not take into account other projects that included conservation districts as partners but did not serve as the lead sponsor.

What are ways to streamline program administration and increase transparency?

NACD routinely hears from our members that the application process for RCPP can be cumbersome and difficult, and we appreciate Congress recognizing this and tasking NRCS with making RCPP a simpler program to apply for and access. We are in the process of soliciting feedback from our members who have gone through the application process in order to better inform NRCS of where there are redundancies and look forward to passing those suggestions along separately, potentially through the rulemaking process. Congress recognized the need for a simplified process is even more profound with smaller partners, as they do not always have the time or staff capacity to navigate complicated or duplicative applications. In many cases, this has limited the success of conservation district-led projects versus larger, national organizations that may have dedicated grant-writing staff. Possible areas for simplification could be eliminating the pre-proposal stage of the application process, limiting the number of questions or simplifying the questions, and being more flexible in the need to identify exact practices in the proposal.

In order to increase transparency, we reiterate our belief that it is critical to ensure local input is provided and noted during the creation of project applications by encouraging the consultation of conservation districts by project sponsors. We know that projects created with input from the local level and reviewed at the state level, rather than through NRCS headquarters, will lend themselves to increased transparency. We are not suggesting that conservation districts be listed as partners on each project, but when everyone knows that the planned resource concern being addressed has been vetted appropriately, confidence in the project will increase. This local knowledge will also help give the landowners within the project's boundaries the confidence they need to work with an organization that might not otherwise have a local presence.

While NACD is appreciative of the strict limit of 15 total projects that could be funded using the new grant program, we have concern with the potential lack of transparency of these projects, as contracts will no longer be signed by the landowner with NRCS. The abovementioned suggestions for local input will help improve grant applications as well. NACD hopes that NRCS would move forward cautiously on



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these new grants and be cognizant of the importance of getting this right, especially in the first few years as NRCS tests the efficacy of this new funding arrangement.

NRCS must also be strict in the direction Congress gave the agency that these applications must only be approved if the sponsor can prove “the project can truly be carried out more effectively through the alternative funding arrangement or grant than through the traditional partnership agreement model.” We have doubts that any project could be carried out more efficiently if it bypasses the successful conservation delivery model that producers know and trust. Therefore, if approved, NRCS must closely monitor these projects to ensure success, or it will risk eroding the trust that the traditional partnership between NRCS and conservation districts have built over the last several decades.

How should NRCS prioritize partner contributions (financial and in-kind)?

Congress clarified that a partner’s contribution may be any combination of financial or in-kind contributions. For smaller partners like conservation districts, finding financial contributions for RCPP applications can be difficult, especially in regions where requests for matching funds have exhausted other local partners. NRCS must also be cognizant of the downturn in the agriculture economy, as many involved in this industry are financially strained. While NRCS has had a lofty goal of a 1:1 match, this consideration should be reconsidered as the program moves forward. As long as the contribution requirements have been met, NRCS should rank projects based upon the merits and proposed outcomes, rather than a project’s ability to leverage additional financial contributions.

What are ways for NRCS to incentivize participation of historically underserved producers in RCPP projects?

The 2018 Farm Bill directs both partners and the Secretary to conduct outreach to historically underserved producers to the maximum extent practicable. NRCS should continue to request information through the application process of the sponsors’ plans to reach out to underserved producers. Additionally, NRCS should give thought to producers who were not previously eligible. NACD supported Section 12615 of the 2018 Farm Bill, which directs USDA to provide a farm number to operators of land commonly referred to as heirs’ property if certain documentation can be provided. These producers have had difficulty showing clear title for land that has been passed down through multiple generations. With a farm number, these producers will now be able to access assistance through NRCS programs. NRCS should make an effort to ensure projects’ sponsors that are considering submitting an application are aware of this new group of underserved producers who were not previously eligible.

Thank you again for the opportunity to provide input as you and your team begin the rulemaking process and for your commitment to voluntary, locally-led conservation.

Sincerely,

A handwritten signature in black ink that reads "Tim Palmer".

Tim Palmer
President, NACD