



Washington State  
Conservation  
Commission

# 2023-2025 Capital Budget Request





# Washington State Conservation Commission

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**TAB A**



STATE OF WASHINGTON  
CONSERVATION COMMISSION

PO Box 47721 • Olympia, Washington 98504-7721 • (360) 407-6200 • FAX (360) 407-6215

September 20, 2022

**TO:** David Schumacher, Director  
Office of Financial Management

**FROM:** Christopher Pettit, Executive Director  
Washington State Conservation Commission

**SUBJECT:** 2023-2025 SCC Capital Budget Request

The state of Washington faces multiple natural resource challenges, including salmon and orca recovery, climate and drought resiliency, shellfish recovery, and forest health protection. The Washington State Conservation Commission (SCC) implements vital incentive-based programs that provide for the construction of conservation projects to not only achieve effective, multi-benefit solutions for our most pressing natural resource issues but also create jobs and drive economic activity.

SCC is requesting capital funds to continue the following programs that empower landowners and conservation districts in every corner of our state to implement vital conservation projects and approval to continue to develop the seventeen decision packages listed below (in staff recommended priority order).

**Natural Resource Investments (NRI)**

*Enables conservation districts to help local landowners pay for and construct conservation projects that address the most pressing state and local priorities, such as managing forests for wildfire resiliency, upgrading irrigation systems for water conservation, building manure storage facilities, and installing livestock fencing for pasture management. At this time, 291 landowners are ready to invest in 536 practices on their properties to improve natural resources, and we expect that number to grow.*

**Riparian Restoration Projects**

*In the 2022 supplemental operating budget, the Legislature provided \$10,000,000 in operating funds to SCC that provide grants for riparian restoration projects with landowners." Supplemental funding was provided from the Salmon Recovery Account established by the Legislature. Since the funding is in the operating budget, funds not spent by June 30, 2023, will revert to the Salmon Recovery Account. If SCC has unfunded needs or projects needing additional funding, SCC will need to request these funds in the 2023-25 biennial budget. Funding is currently available to conservation districts for salmon riparian projects from the amounts appropriated. However, it's not known how much of the appropriation will be spent in the current fiscal year. Although the funding is for riparian projects, it's difficult to complete projects with operating funds since funds not spent by the end of the fiscal year (or biennium) are lost. Capital funding is more suited to projects since funding may be reappropriated if more time is needed to complete projects.*

*This proposal is split between operating and capital budgets. Operating funds will fund activities such as landowner technical assistance and district outreach for landowner engagement and project recruitment. The capital funding is specifically for project design, implementation, and maintenance.*

### **Farmland Preservation and Land Access (FPLA)**

*SCC was allocated \$2 million of one-time funding in the last capital budget to create the Farmland Protection and Land Access program (FPLA). This critical and necessary program supports Washington farmers and keeps land in production. The program also facilitates land access to underserved producers including young and beginning farmers, people of color, and veterans. SCC staff is seeking Commission authorization to request up to \$4 million for FPLA in the '23-25 budget to create a sustainable program. SCC will request this additional funding to be ongoing.*

### **Irrigation Efficiencies (IEP)**

*The Water Irrigation Efficiencies Program (IEP) is a statewide effort to improve the delivery of water and its application on agricultural lands. Projects increase the efficiency use of water on the farm while still allowing landowners to grow crops and run their businesses.*

### **Shellfish**

*The SCC Shellfish Program helps fund voluntary, watershed-based efforts that are proven effective at protecting shellfish growing areas by providing cost-share for the implementation of best management practices that support manure management, livestock exclusion, stream restoration, and other projects that improve water quality. The program also supports Governor Inslee's Shellfish Initiative and the Puget Sound Action Agenda strategic initiative to recover shellfish beds.*

### **Regional Conservation Partnership Program (RCPP)**

*Covers state match needed to bring millions of Farm Bill dollars to Washington for RCPP projects that unite multiple partners in solving natural resource issues. SCC is the pass-through agency required for the state capital match funding for five of the RCPP projects. RCPP projects create jobs and make measurable progress on urgent issues, including water quality, fish and wildlife habitat restoration, drinking and irrigation water supply, forest health and wildfire resiliency, and farmland preservation.*

### **Conservation Reserve Enhancement Program (CREP Cost Share & TA)**

*This request is to provide matching state funds for program management and project implementation to continue the Conservation Reserve Enhancement Program (CREP) with private landowners. CREP is a federal program administered by the Farm Service Agency (FSA), who pays 80% of the costs of this program in Washington state. State money funds the remaining 20%. This voluntary program addresses degraded habitat for ESA-listed salmon and in turn, helps orca. Conservation districts develop partnerships with willing farmers and plant native trees and shrubs while removing livestock and agricultural activities from the riparian area of streams on privately owned agricultural land. In the past two decades, CREP has become the largest riparian restoration program in the state.*

### **Conservation Reserve Enhancement Program (CREP PIP Loan Program)**

*This request is to provide agency spending authority for funds currently in a revolving account for the Conservation Reserve Enhancement Program (CREP) to loan private landowners' funds that bridge a payment gap in the program. CREP is a federal program administered by the Farm Service Agency (FSA), which pays half of the funds to participants upon installation, while state money funds 10% of the installation cost. Upon completion of all aspects of the project, FSA pays a Practice Incentive Payment (PIP) of 40% of the installation cost. The delay, sometimes for up to three years, in repayment has been a barrier to participation by some landowners, so the PIP loan program was developed to encourage greater participation. The participants assign their FSA PIP to SCC to secure the loan and SCC then is able to offer repaid funds to new participants. This request is not new funding; the PIP loan program is a revolving fund and is being requested for authority to spend repaid funds. CREP addresses degraded habitat for ESA-listed salmon, and in turn, helps orca. In the past two decades, CREP has become the largest riparian restoration program in the state.*

**Voluntary Stewardship Program Project Funding (VSP)**

*Requested funding continues the VSP cost-share program with private landowners first funded in the FY 2022-23 supplemental budget. VSP works with 27 counties to help encourage incentive-based best management practices and projects that monitor and enhance the state's critical areas.*

**Washington Shrubsteppe Restoration Resiliency Initiative (WSRRI)**

*Requested capital funding would continue wildlife-friendly fencing projects currently being completed with pass-through funding from Washington Department of Fish and Wildlife. The projects would still be guided, evaluated and selected through the WSRRI process but would move a portion of the grant program implementation directly to SCC.*

Thank you for your consideration of these requests.

Sincerely,



Christopher Pettit  
Executive Director



**471 - State Conservation Commission  
Ten Year Capital Plan by Project Class**

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS001

Date Run: 9/16/2022 10:43AM

**Project Class: Program**

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2023-25	New Approp 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33
0	<b>4000020 2021-2023 Farmland Protection and Land Access</b>									
	057-1 State Bldg Constr-State	4,000,000			2,000,000	2,000,000				
0	<b>9100015 2019-21 CREP Riparian Contract Funding</b>									
	057-1 State Bldg Constr-State	1,900,013	1,784,463	94,715	20,835					
0	<b>9100017 2019-21 CREP Riparian Cost Share - State Match</b>									
	057-1 State Bldg Constr-State	1,799,982	525,982		1,274,000					
0	<b>9200004 Conservation Commission Ranch &amp; Farmland Preservation Projects</b>									
	057-1 State Bldg Constr-State	7,522,005	7,341,025	22,534	158,446					
0	<b>9200016 Voluntary Stewardship Program</b>									
	057-1 State Bldg Constr-State	3,000,000			3,000,000					
<b>Total: Program</b>		<b>18,222,000</b>	<b>9,651,470</b>	<b>117,249</b>	<b>6,453,281</b>	<b>2,000,000</b>				

**Project Class: Grant**

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2023-25	New Approp 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33
0	<b>3000017 Match for Federal RCPP Program</b>									
	001-2 General Fund-Federal	1,874,998	426,358		1,448,640					
	057-1 State Bldg Constr-State	5,340,668	5,340,668							
	<b>Project Total:</b>	<b>7,215,666</b>	<b>5,767,026</b>		<b>1,448,640</b>					
0	<b>4000004 2019-21 Improve Shellfish Growing Areas</b>									

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**Project Class: Grant**

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0	<b>40000004 2019-21 Improve Shellfish Growing Areas</b>									
	057-1 State Bldg	4,000,011	3,060,741		939,270					
	Constr-State									
0	<b>40000005 2019-21 Natural Resource Investments</b>									
	057-1 State Bldg	3,999,997	3,098,077	5,561	896,359					
	Constr-State									
0	<b>40000006 2019-21 Match for Federal RCPP</b>									
	057-1 State Bldg	6,249,003	2,672,143	272,340	3,304,520					
	Constr-State									
0	<b>40000009 2019-21 Water Irrigation Efficiencies Program</b>									
	057-1 State Bldg	4,000,000	120,000	165,704	3,714,296					
	Constr-State									
0	<b>40000010 2019-21 CREP PIP Loan Program</b>									
	552-1 Cons	99,990			99,990					
	Assistance Acct-State									
0	<b>91000009 CREP Riparian Cost Share - State Match 2017-19</b>									
	057-1 State Bldg	2,600,000	2,600,000							
	Constr-State									
0	<b>92000013 Match for Federal RCPP Program 2017-19</b>									
	057-1 State Bldg	4,000,000	4,000,000							
	Constr-State									
0	<b>92000014 CREP PIP Loan Program 2017-19</b>									
	552-1 Cons	351,172	81,172		270,000					
	Assistance Acct-State									
1	<b>40000016 2021-2023 Natural Resource Investments for the Economy and Enviro</b>									
	057-1 State Bldg	4,000,000		616,960	3,383,040					
	Constr-State									
1	<b>40000022 2023-2025 Natural Resource Investments for the Economy and Enviro</b>									
	057-1 State Bldg	49,800,000				9,800,000	10,000,000	10,000,000	10,000,000	10,000,000
	Constr-State									
1	<b>92000011 Natural Resource Investment for the Economy &amp; Environment 2017-19</b>									

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Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2023-25	New Approp 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33
<b>1</b>	<b>92000011 Natural Resource Investment for the Economy &amp; Environment 2017-19</b>									
	001-2 General	1,000,000			1,000,000					
	Fund-Federal									
	057-1 State Bldg	3,999,903	3,999,903							
	Constr-State									
	<b>Project Total:</b>	<b>4,999,903</b>	<b>3,999,903</b>		<b>1,000,000</b>					
<b>2</b>	<b>40000013 2021-2023 Conservation Reserve Enhancement Program (CREP)</b>									
	057-1 State Bldg	4,000,000		1,310,864	2,689,136					
	Constr-State									
<b>2</b>	<b>40000030 2023-2025 Salmon Habitat Restoration Projects</b>									
	06A-1 Salmon	50,000,000				10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
	Recovery Acct-State									
<b>3</b>	<b>40000015 2021-2023 Conservation Reserve Enhancement Program (CREP) PIP loa</b>									
	552-1 Cons	160,000			160,000					
	Assistance Acct-State									
<b>3</b>	<b>40000024 2023-2025 Farmland Protection and Land Access</b>									
	057-1 State Bldg	38,000,000				4,000,000	6,000,000	8,000,000	10,000,000	10,000,000
	Constr-State									
<b>4</b>	<b>40000017 2021-2023 Regional Conservation Partnership Program (RCP) Match</b>									
	057-1 State Bldg	7,000,000		1,959,151	5,040,849					
	Constr-State									
<b>4</b>	<b>40000025 2023-2025 Irrigation Efficiencies</b>									
	057-1 State Bldg	38,000,000				6,000,000	6,000,000	8,000,000	8,000,000	10,000,000
	Constr-State									
<b>5</b>	<b>40000018 2021-2023 Improve Shellfish Growing Areas</b>									
	057-1 State Bldg	3,500,000		953,702	2,546,298					
	Constr-State									
<b>5</b>	<b>40000029 2023-2025 Improve Shellfish Growing Areas</b>									
	057-1 State Bldg	20,000,000				4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
	Constr-State									
<b>6</b>	<b>40000014 2021-2023 Water Irrigation Efficiencies Program</b>									

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**Project Class: Grant**

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2023-25	New Approp 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33
6	<b>40000014 2021-2023 Water Irrigation Efficiencies Program</b>									
	057-1 State Bldg	2,000,000		108,432	1,891,568					
	Constr-State									
6	<b>40000026 2023-2025 Regional Conservation Partnership Program (RCP)</b>									
	057-1 State Bldg	27,000,000				3,000,000	6,000,000	6,000,000	6,000,000	6,000,000
	Constr-State									
7	<b>40000023 2023-2025 Conservation Reserve Enhancement Program (CREP)</b>									
	057-1 State Bldg	38,625,000				7,725,000	7,725,000	7,725,000	7,725,000	7,725,000
	Constr-State									
8	<b>40000027 2023-2025 Conservation Reserve Enhancement Program (CREP) PIP</b>									
	552-1 Cons	500,000				100,000	100,000	100,000	100,000	100,000
	Assistance Acct-State									
9	<b>40000021 2023-2025 VSP Project Funding</b>									
	057-1 State Bldg	15,000,000				3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	Constr-State									
10	<b>40000028 2023-2025 Washington Shrubsteppe Restoration and Resiliency Initi</b>									
	057-1 State Bldg	9,500,000				1,500,000	2,000,000	2,000,000	2,000,000	2,000,000
	Constr-State									
<b>Total: Grant</b>		<b>344,600,742</b>	<b>25,399,062</b>	<b>5,392,714</b>	<b>27,383,966</b>	<b>49,125,000</b>	<b>54,825,000</b>	<b>58,825,000</b>	<b>60,825,000</b>	<b>62,825,000</b>

**Total Account Summary**

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2023-25	New Approp 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33
001-2 General Fund-Federal	2,874,998	426,358		2,448,640					
057-1 State Bldg Constr-State	308,836,582	34,543,002	5,509,963	30,858,617	41,025,000	44,725,000	48,725,000	50,725,000	52,725,000
06A-1 Salmon Recovery Acct-State	50,000,000				10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

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Ten Year Capital Plan by Project Class**

2023-25 Biennium

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**Total Account Summary**

<u>Account-Expenditure Authority Type</u>	<u>Estimated Total</u>	<u>Prior Expenditures</u>	<u>Current Expenditures</u>	<u>Reapprop 2023-25</u>	<u>New Approp 2023-25</u>	<u>Estimated 2025-27</u>	<u>Estimated 2027-29</u>	<u>Estimated 2029-31</u>	<u>Estimated 2031-33</u>
552-1 Cons Assistance Acct-State	1,111,162	81,172		529,990	100,000	100,000	100,000	100,000	100,000
<b>Total</b>	<b>362,822,742</b>	<b>35,050,532</b>	<b>5,509,963</b>	<b>33,837,247</b>	<b>51,125,000</b>	<b>54,825,000</b>	<b>58,825,000</b>	<b>60,825,000</b>	<b>62,825,000</b>

### Ten Year Capital Plan by Project Class

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**Report Number:** CBS001  
**Date Run:** 9/16/2022 10:43AM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Functional Area	*	All Functional Areas
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Include Enacted	No	No
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids



Dr. Whitlam,

June 10, 2021

I am writing to seek your Agency's concurrence that the Washington State Conservation Commission's (WSCC) cultural resources review process as revised complies with EO 21-02.

The following is an overview both of how the proposed WSCC policy and procedure will change and also what will remain the same. The overall process by which projects to implement NRCS conservation practices are reviewed is not envisioned to change significantly. The following are currently in place and will remain so when these policy and procedures are updated.

- The WSCC values the protection of cultural resources and takes seriously its obligation to ensure that districts comply with requirements for their protection.
- Conservation districts reference a list we provide of likely non-soil-disturbing NRCS practices that do not require a cultural resources review.
- Conservation districts reference a list we provide of likely soil-disturbing NRCS practices that require consultation with a professional archeologist and/or consultation with DAHP and potentially impacted Tribes.
- If a project involves federal funding, the process laid out in Section 106 of the National Historic Preservation Act should be followed and will be considered to represent compliance with the state requirement.
- If the project involves WSCC funds and funding from another state agency, WSCC normally accepts that agency's cultural resource review.
- Before WSCC will reimburse a district for installation of a conservation practice (whether funded with capital dollars or operating dollars) the district must attest that they are in compliance with requirements for cultural resources review.
- To the extent they have not already received training, appropriate state agency staff managing grants must attend Government-to-Government training and Cultural resources training provided by GOIA and DAHP. Conservation district employees are also encouraged to pursue these and other training opportunities - including the NRCS cultural resources training.
- All districts are advised to have a UDP in policy and on file with staff trained in implementing the plan.

There are a number of areas where new language in EO 21-02 requires changes to our program and where updates are needed. These are as follows.

- Under the revised policy, conservation districts will need to email copies of all documents regarding the review and consultation to DAHP before they will be reimbursed.
- Unless subject to Section 106 (federal cultural resources review process), property acquisition projects culminating in soil-disturbing construction activities will be subject to cultural resources review under EO 21-02.
- Going forward, the SCC will update our practice lists to keep current with NRCS's. This includes matching NRCS's categorization of practices by likelihood of soil disturbance. Conservation districts must use the updated lists to determine if they need to consult with an archeologist and/or DAHP and potentially impacted Tribes regarding their project.
- We will revisit this program as a whole and concurrence from DAHP at a minimum every five years.
- Forms such as the "0505 cultural resources complied statement form" and some procedures will be modified to match the new policy.

The WSCC cultural resource policy language is proposed to be changed from the current language which reads:

**Purpose:**

*The Washington State Conservation Commission (WSCC) is sensitive to the cultural resource concerns of the tribes in Washington State and in an effort to help preserve and protect those cultural resources, the Commission encourages each District to communicate with their local tribes regarding the conservation work that they do, in an attempt to develop a working relationship that supports their conservation activities while protecting important cultural resources.*

*The WSCC for its part, will ensure that future activities of the Washington State Conservation Commission (WSCC) are compliant with the Governor's Executive Order 0505 regarding the preservation and protection of our statewide Archeological and Cultural Resources in the disbursement of State funds to conservation districts for capital construction projects to conserve the state's natural resources.*

**Policy:**

*Before a Conservation District can be reimbursed for conservation practices (capital construction projects) with WSCC managed funds (regardless of the source, such as Operational Funds or Capital Funds), a District must provide documentation to WSCC that:*

1. *a EO-0505 review has been completed or*
2. *the project/practice is exempted from the EO-0505 review or*
3. *a EO-0505 review is not needed.*



To the following language:

**Purpose (date):**

*The Washington State Conservation Commission (WSCC) values the protection of archeological and cultural resources. We encourage each district to develop good working relationships with local Tribes that can help inform and support their conservation activities and better protect cultural resources.*

*The WSCC will ensure that future activities funded by WSCC are compliant with the Governor's Executive Order 21-02 regarding Archaeological and Cultural Resources.*

**Policy (date):**

*Projects funded by the WSCC must follow current policy and procedures regarding the protection of cultural resources. Before a Conservation District can be reimbursed for conservation practices (capital construction projects) with WSCC-managed funds (regardless of source and including both Operational Funds and Capital Funds) a District must attest to WSCC that:*

- 1. a cultural resource review compliant with EO 21-02 has been completed or*
- 2. per WSCC policy the project/practice does not require EO-21-02 review or*
- 3. a cultural resource review was conducted by another state agency in compliance with EO 21-02 or*
- 4. a cultural resource review was conducted under Section 106 of the National Historic Preservation Act and*
- 5. all records pertaining to cultural resource review and tribal consultation have been emailed to DAHP.*

*Additionally, unless subject to Section 106 (federal cultural resources review process) property acquisition projects culminating in soil-disturbing construction activities will be subject to cultural resources review under EO 21-02.*

The governing body of the WSCC meets next on July 15<sup>th</sup>. Staff will present this policy change at that meeting. Per WSCC's "Policy on Policies" once the Commission authorizes staff to do so, we will send the changes out to conservation districts throughout the state for comment. Following that comment period, the Commission can then consider adoption of the revised policy at the next meeting which is scheduled for September 16<sup>th</sup>.

Thank you for your patience and guidance while we navigate this update. Please let me know if there is any additional information I can provide.



Jean Fike  
WSCC Cultural resources coordinator

cc:  
Carol Smith, Executive Director  
Shana Joy, Regional Manager Coordinator



# Washington State Conservation Commission

<b>Policy Name and #</b>	21-02 Cultural Resources
<b>Applies to:</b>	Projects funded by WSCC
<b>Effective Date:</b>	September 16, 2021
<b>Approved By:</b>	 WSCC Chairman, Dean Longrie

## PURPOSE

The Washington State Conservation Commission (WSCC) values the protection of archeological and cultural resources. We encourage each district to develop good working relationships with local Tribes that can help inform and support their conservation activities and better protect cultural resources. The WSCC will ensure that future activities funded by WSCC are compliant with the Governor's Executive Order 21-02 regarding Archaeological and Cultural Resources.

## BACKGROUND

The Commission had been operating under Executive Order 05-05 since July, 2015. Policy and procedures were developed at that time to comply with EO 05-05, mitigate impacts and protect cultural resources as conservation districts implement projects funded through Commission programs.

Following the issuance of EO 21-02 on April 7, 2021 Commission staff were in communication with DAHP to determine what changes would be needed in the Commission's cultural resources process to bring it into compliance with the new EO. As in 2015, the process is closely modeled after that used by NRCS.

## POLICY

Projects funded by the WSCC must follow current policy and procedures regarding the protection of cultural resources. Before a Conservation District or other recipient can be reimbursed for conservation practices (capital construction projects) with WSCC-managed

funds (regardless of source and including both Operational Funds and Capital Funds) they must attest to WSCC that:

- 1) a cultural resource review compliant with EO 21-02 has been completed or
- 2) per WSCC policy the project/practice does not require EO-21-02 review or
- 3) a cultural resource review was conducted by another state agency in compliance with EO 21-02 or
- 4) a cultural resource review was conducted under Section 106 of the National Historic Preservation Act and all records pertaining to cultural resource review and tribal consultation have been emailed to DAHP.

Additionally, unless subject to Section 106 (federal cultural resources review process) property acquisition projects culminating in soil-disturbing construction activities will be subject to cultural resources review under EO 21-02.

**471 - State Conservation Commission  
Capital FTE Summary  
2023-25 Biennium**

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS004  
Date Run: 9/16/2022 1:39PM

**FTEs by Job Classification**

<u>Job Class</u>	Authorized Budget		2023-25 Biennium	
	2021-23 Biennium		2023-25 Biennium	
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Environmental Planner 4			1.0	1.0
Environmental Specialist 4			1.0	1.0
Fiscal Analyst 3			0.5	0.5
Management Analyst 5			0.5	0.5
Program Specialist 3			1.0	1.0
Program Specialist 4			0.5	0.5
WMS 1			1.0	1.0
WMS 2			1.0	1.0
<b>Total FTEs</b>			<b>6.5</b>	<b>6.5</b>

**Account**

<u>Account - Expenditure Authority Type</u>	Authorized Budget		2023-25 Biennium	
	2021-23 Biennium		2023-25 Biennium	
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
057-1 State Bldg Constr-State			600,000	600,000

**Narrative**

FTE's Manage and support the capital grant programs that are critical to meet the statutory conservation Objectives. None of these programs would be possible without this support; they are an essential element of each program's implementation, monitoring and reporting.

**Capital FTE Summary**  
2023-25 Biennium  
\*

**Report Number:** CBS004  
**Date Run:** 9/16/2022 1:39PM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget

**TAB B**

**TAB C**

**TAB D**



# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:52PM

Project Number: 40000022

Project Title: 2023-2025 Natural Resource Investments for the Economy and Enviro

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 1

### Project Summary

By funding the Natural Resource Investments (NRI) program, this request empowers managers of working lands from every county of our state to take part in conserving Washington's natural resources for the future. Most land managers want to do the right thing and take care of the land, water, and air. The common barriers are not having the expertise and finances to construct conservation projects that address resource concerns on their properties. NRI provides an answer to these barriers by administering capital funds to our state's 45 conservation districts (through the State Conservation Commission), who help local land managers pay for and construct conservation projects that in turn benefit all Washingtonians. Due to the popularity of this program, hundreds of landowners are currently waitlisted for NRI program assistance.

### Project Description

This funding will enable operators of working lands in every county of our state to construct projects that improve the health of our air, water, forests, rangelands, and wildlife for all.

### Problem Addressed

Activities on working land — including the production of food and fiber on which we depend — can negatively impact our state's natural resources if not properly managed. These activities can input pollution into our water and air, impact wildlife habitat, trigger soil erosion, and cause other impacts to resource priorities. Most working land managers want to do the right thing for conservation, but barriers stand in their way.

Common hurdles to practicing conservation and complying with regulations for land management are:

- 1) the cost to upgrade or adopt natural resource stewardship practices;
- 2) the need for technical expertise to determine and construct site-specific best management practices that address local natural resource concerns. Washington farmers and producers work long hours and get by on a razor thin profit margin. This makes it difficult to keep up on and comply with regulations and take advantage of innovative, and sometimes expensive, conservation practices and technology. For example, every mile of livestock fence installed costs an estimated \$25,000, and constructing a steel manure storage tank can cost hundreds of thousands of dollars. In urban areas, landowners would like to implement conservation practices, but don't always have the technical expertise and funds to install and maintain projects such as stormwater management practices. In addition, project costs have increased exponentially as a result of recent inflation, labor shortages, and disruptions to the supply chain. Many landowners simply can't install these practices on their own, leading to steadily increasing impacts to natural resources. Similar challenges are faced by private forest land managers, who make day-to-day management decisions on 30% [BR1] of the forest land in Washington State.

Regulatory agencies provide a necessary backstop by using enforcement as a last resort to address violations and egregious instances of landowner impacts to natural resources. However, many landowners want to do the right thing; it's the previously mentioned barriers that prevent them. Regulatory agencies also recognize that, in many situations, a non-regulatory approach is less costly and time-consuming than enforcement, and the money and time expended are invested directly in stewardship practices that help solve the environmental problem. These voluntary solutions often are farm and forest-friendly, which improves economic resiliency. Moreover, providing an opportunity to solve a natural resource issue in a partnership with the landowner can result in positive behavior changes that lead to long-term resource stewardship and positive government interaction.

Facilitating voluntary, long-term resource stewardship and public-private relationships have been the strengths of the State

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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**Version:** SC 2023-2025 Capital Budget Request

**Report Number:** CBS002

**Date Run:** 9/16/2022 12:52PM

**Project Number:** 40000022

**Project Title:** 2023-2025 Natural Resource Investments for the Economy and Enviro

## Description

Conservation Commission (SCC) and our state's 45 conservation districts for over 80 years. Since 2012, one of our most effective tools has been the NRI program, which makes it easier and more affordable for land managers to engage in voluntary conservation on their properties. Through this program, the SCC administers state capital funds to each conservation district who then uses it to help landowners cover a portion of the cost of farm-friendly conservation practices on their properties. Conservation districts also provide the expertise needed for project design and construction. In short, NRI clears barriers to conservation, facilitates projects that otherwise may not occur, and engages landowners with the success of their projects.

This cost-sharing model has been very successful in engaging land managers with conservation. Conservation districts statewide have waiting lists of interested landowners, including farmers, ranchers, and private forestland managers, who want and need the help of NRI to install more conservation projects.

We need to make more progress to conserve Washington's natural resources, especially on private lands projects that benefit the general public. Many private landowners — who own over half the land in our state — are ready and willing to help. But we need continued funding for NRI to break down the barriers and get more conservation on the ground.

## Proposed solution and services provided

Funding requested in this NRI proposal will be used to share the costs of constructing \$9,800,000 worth of on-the-ground conservation projects across the state that are currently backlogged. At this time, 291 landowners are ready to invest in cost-sharing projects to install 536 practices on their properties to improve natural resources, and from past experience we anticipate this number will continue to grow.

The following are examples of wait-listed NRI projects currently planned for implementation during the 23-25 biennium:

- Improving Water Quality/Quantity: Livestock manure storage and handling facilities, irrigation system upgrades and improved technology, open channel conversion to irrigation pipeline, in-stream habitat features and improvements, low impact development and stormwater mitigation.
- Wildlife Habitat Improvements: Enhancing wetlands and ponds, native pollinator plantings, installing bird and bat boxes, minimizing invasive weeds.
- Forest and Rangeland Health: Reforestation or revegetation, thinning of overstocked forest stands, rangelands restoration, fencing for sustainable grazing management, pest management and invasive species, construction of fuel breaks and ladder fuels management.
- Natural Disaster Recovery: Agricultural fence repair and replacement, field management practices to reduce topsoil loss, emergency erosion control measures (e.g., re-seeding or revegetation), addressing geological or other hazards to life and property.
- Energy Conservation: On-farm energy efficient technology and equipment or upgrades.
- Soil Health and Erosion Control: Composting systems, revegetation, and vegetation buffers to retain soil on-site and

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:52PM

Project Number: 40000022

Project Title: 2023-2025 Natural Resource Investments for the Economy and Enviro

## Description

increase crop productivity.

· Urban Conservation: Stormwater management practices such as rain gardens, bio-infiltration structures, de-paving, urban forestry, pollinator gardens, and urban agriculture.

## Benefits for all

NRI funding will be invested in every county of our state with multi-benefit and wide-reaching positive impacts. Washington farmers, ranchers, and private forestland managers will be empowered to complete conservation projects on their working lands, supporting rural livelihoods and production of food and fiber. Where conservation districts encompass urban and suburban areas, residents will have the opportunity to implement conservation projects to help mitigate stormwater runoff, support backyard wildlife habitat, and improve wildfire preparedness.

All conservation projects are designed to provide cleaner air, cleaner water, healthier soils, and wildfire resiliency of our working lands, which benefit all Washingtonians through improved environmental, recreational, and economic opportunities. In some cases, projects help land managers adapt to regulatory protections for critical areas, shorelines and endangered species. Through financial cost-share support for implementation of these projects, we keep working lands working while conserving natural resources, protect our food system and agricultural economy, and reduce the loss of forest and tree canopy cover. Projects like erosion/flood protection and home wildfire preparedness also reduce the risk to life, home, and other property damage from natural disasters which can displace communities and be a significant cost to individuals and local governments. In urban communities, projects that include on-site stormwater management and pollinator plantings help promote water quality and biodiversity.

Agriculture is one of our state's top economic activities, there are over 35,000 farms and food producers that make up approximately 14.5 million acres in Washington, and employ over 160,000 people. In 2019, the Washington Department of Agriculture estimated that Washington agriculture production totaled \$9.49 billion. Moreover, we all reap the benefits of Washington's farmers, since they produce so much of our food. Washington's 45 conservation districts work with farmers and ranchers throughout the state to help them address natural resource issues in a manner that at least maintains and often boosts the economic viability of their operations. Urban and suburban land managers are assisted with NRI to address small livestock waste management concerns, naturally treat stormwater runoff, and support urban agriculture producers and local food access. This work also provides numerous environmental benefits for the public, including cleaner air, cleaner water, productive soils, and healthy forests and rangelands for greater wildfire resiliency. Similarly, active management of private forestland provides a variety of ecosystem services, including improved surface and groundwater quality, reduced stormwater runoff, improved air quality, improved fish and wildlife habitat, and increased climate resiliency.

## Alternatives explored

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:52PM

Project Number: 40000022

Project Title: 2023-2025 Natural Resource Investments for the Economy and Enviro

## Description

Not funding this proposal will come at a huge cost to our natural resources, the health of our communities, our public-private conservation partnerships, and our agricultural economy. Progress made by investing NRI dollars in urgent natural resource issues — such as water conservation in the Columbia Basin, erosion control in the Palouse, addressing the forest health crisis in Central Washington, and saving our Southern Resident Killer Whales — will be jeopardized. Farmers and other private land managers will lose access to the expertise and financial incentives they need to address natural resource issues on their working lands. Many food and fiber producers will continue to struggle to keep their operations viable and in compliance with regulatory requirements without this assistance available to them. If these problems cannot be addressed voluntarily due to lack of funding, more regulatory action will be required, increasing costs to the state for enforcement and appeals. By relying more on regulatory enforcement, animosity will rise among private landowners who will have more enforcement actions imposed.

To maximize the impact of their work, conservation districts creatively leverage state funding with a variety of other local, state, federal, and non-governmental organization grants and partnerships. Districts match every dollar of state funding with up to four dollars of funding from other sources. Additionally, districts are able to complete large projects by pulling together several funding sources where a single grant is insufficient. Without the funding provided through NRI, many of these projects that leverage other financial resources cannot move forward.

In addition, the goals set out in the Governor's Results WA and the Puget Sound Partnership Action Agenda as well as Washington's species of greatest conservation need recovery plans and locally led long-range plans of each conservation district will not be met.

[BR1]This measure is from WA DNR 2020 Forest Action Plan, page 20

[https://dnr.wa.gov/publications/rp\\_2020\\_forest\\_action\\_plan.pdf](https://dnr.wa.gov/publications/rp_2020_forest_action_plan.pdf)

## Connections to Puget Sound Partnership Action Agenda

References cited from the 2022-2026 Action Agenda associated with direct and indirect benefits provided through funding of the **Natural Resource Investments for the Economy and Environment** 23-25 biennial budget decision package.

The SCC and many of the Conservation Districts are coordinating directly with the Puget Sound Partnership in various and multiple roles such as Lead Entity (LE) coordination, LE citizens committees, Local Integrating Organization (LIO), Salmon Recovery Council and many of the various subcommittee and planning level activities coordinated by the partnership. The Districts have an important role as a non-regulatory technically based partner that can work with both rural and urban cooperators in efforts to address the priorities identified in the Action Agenda.

### 2022-2026 Action Agenda Strategies & Key Opportunities (Actions) Alignment

- Strategy 2: Working Lands - Reduce pressure for land conversion by supporting the long-term viability and sustainability of agricultural lands, including large and small parcel, hobby and working farms, and working forests through resilience and integrated management planning, improved incentives, and improved land use regulations.

- o Key Opportunity: Expand incentives and technical assistance for agricultural lands and owners of working forests

- o Key Opportunity: Streamline and increase funds disbursement to support Best Management Practices (BMPs)

- o Key Opportunity: Promote working lands BMPs that also sequester carbon and increase resilience.

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

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Project Number: 40000022

Project Title: 2023-2025 Natural Resource Investments for the Economy and Enviro

## Description

- Strategy 3: Healthy Shorelines – Protect and restore marine shorelines by improving compliance, incentives, and strategic planning rooted in an understanding of coastal process, with a focus on bluff-backed beaches.
  - o Key Opportunity: Implement restoration and protection to improve beach processes and function identified through strategic plan at multiple geographic scales
- Strategy 5: Floodplains & Estuaries – Protect and restore floodplains and estuaries (including associated riparian habitats) by advancing integrated river basin management planning policies and regulations and accelerating funding and implementation of reach-scale plans and projects.
  - o Key Opportunity: Enhance funding for and capacity of landowners, tribal governments, local governments, and nongovernmental organizations to acquire, restore, and manage floodplain and estuarine properties
  - o Key Opportunity: Improve the function of tide gates, or remove them altogether, where appropriate, to improve water quality and increase habitat complexity
  - o Key Opportunity: Remove culverts and other barriers to connectivity to improve and maintain streamflow functions within floodplains and their associated estuaries
- Strategy 6: Fish Passage Barriers – Address fish passage barriers and reopen salmon habitat by accelerating strategic planning and sequenced implementation of projects.
  - o Key Opportunity: Consider strategic and varied approaches for private and public culvert removal
  - o Key Opportunity: Streamline funding opportunities for private culverts and barrier removal
  - o Key Opportunity: Fulfill the state's obligation to replace fish passage culverts
- Strategy 7: Freshwater Availability – Understand and plan for future freshwater availability and implement regulations, projects, and voluntary approaches to reduce water demand and encourage conservation, as well as reclaimed wastewater.
  - o Key Opportunity: Expand and accelerate incentives for voluntary action
  - o Key Opportunity: Focus to improve water quality and quantity in key salmon migration and rearing corridors throughout Puget Sound.
- Strategy 11: Wastewater Systems – Reduce and prevent pollutants from wastewater systems (for example, treatment plants and large- and small-scale onsite septic) by improving regulatory controls and incentives and investing in new technology.
  - o Key Opportunity: Promote actions by homeowners and commercial developers that reduce runoff during rain events (for example, rain gardens, retention ponds, street trees, and other green stormwater infrastructure)
- Strategy 12: Working Lands Runoff – Reduce and prevent non-point source pollutants from agricultural and forest lands by improving outreach and incentive programs and ensuring compliance with policies.
  - o Key Opportunity: Ensure adequate funding and support for voluntary incentive-based programs
  - o Key Opportunity: Identify opportunities and priorities for technical assistance, implementing BMPs, and funding.
  - o Key Opportunity: Adequately fund the work of voluntary and incentive-based programs
  - o Key Opportunity: Support the implementation and monitoring of BMPs
  - o Key Opportunity: Promote working lands BMPs that also sequester carbon and increase resilience.
- Strategy 16: Submerged Aquatic Vegetation – Protect and restore submerged aquatic vegetation (SAV) by expanding public outreach, education, and voluntary programs, ensuring regulatory protection, and implementing restoration projects.
  - o Key Opportunity: Coordinate submerged aquatic vegetation restoration with projects that restore sediment processes to support carbon storage and sequestration
- Strategy 20: Climate Adaptation & Resilience – Integrate climate adaptation and resilience into all strategies to protect and restore ecosystems and human wellbeing.
  - o Key Opportunity: Develop strategies to protect and restore aquatic habitats that provide refuge for sensitive species and support resilience from climate-related impacts
  - o Key Opportunity: Develop climate-resilient forest management practices (including commercial forestry) and reforestation approaches to reduce risks of drought and wildfire, as well as increase snowpack and low summer streamflow
  - o Key Opportunity: Restore and acquire areas that provide flood conveyance, slow water, and deposit sediment during frequent, “ordinary” flood events by reconnecting the floodplain
  - o Key Opportunity: Expand local capacity to educate, assist, and incentivize public and private landowners to work proactively to address future effects of climate changes on water quantity and quality

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:52PM

Project Number: 40000022

Project Title: 2023-2025 Natural Resource Investments for the Economy and Enviro

## Description

- o Key Opportunity: Create more equitable and resilient communities, economies, and businesses that reduce greenhouse gas emissions, sequester carbon, and adapt to changing conditions
- o Key Opportunity: Provide assistance in municipalities to support urban forest management and green infrastructure that is climate-informed and includes fire-adapted community strategies, updates to the Evergreen Communities Act, and expands urban and community forestry

**Location**

City: Statewide

County: Statewide

Legislative District: 098

**Project Type**

Grants

Grant Recipient Organization: Conservation Districts

RCW that establishes grant: 89.08

Application process used

N/A

**Growth Management impacts**

Projects will support local GMA requirements to protect critical areas.

## Funding

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	49,800,000				9,800,000
	<b>Total</b>	<b>49,800,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,800,000</b>
<b>Future Fiscal Periods</b>						
		<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	<u>2031-33</u>	
057-1	State Bldg Constr-State	10,000,000	10,000,000	10,000,000	10,000,000	
	<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	

## Operating Impacts

No Operating Impact

## Capital Project Request

2023-25 Biennium

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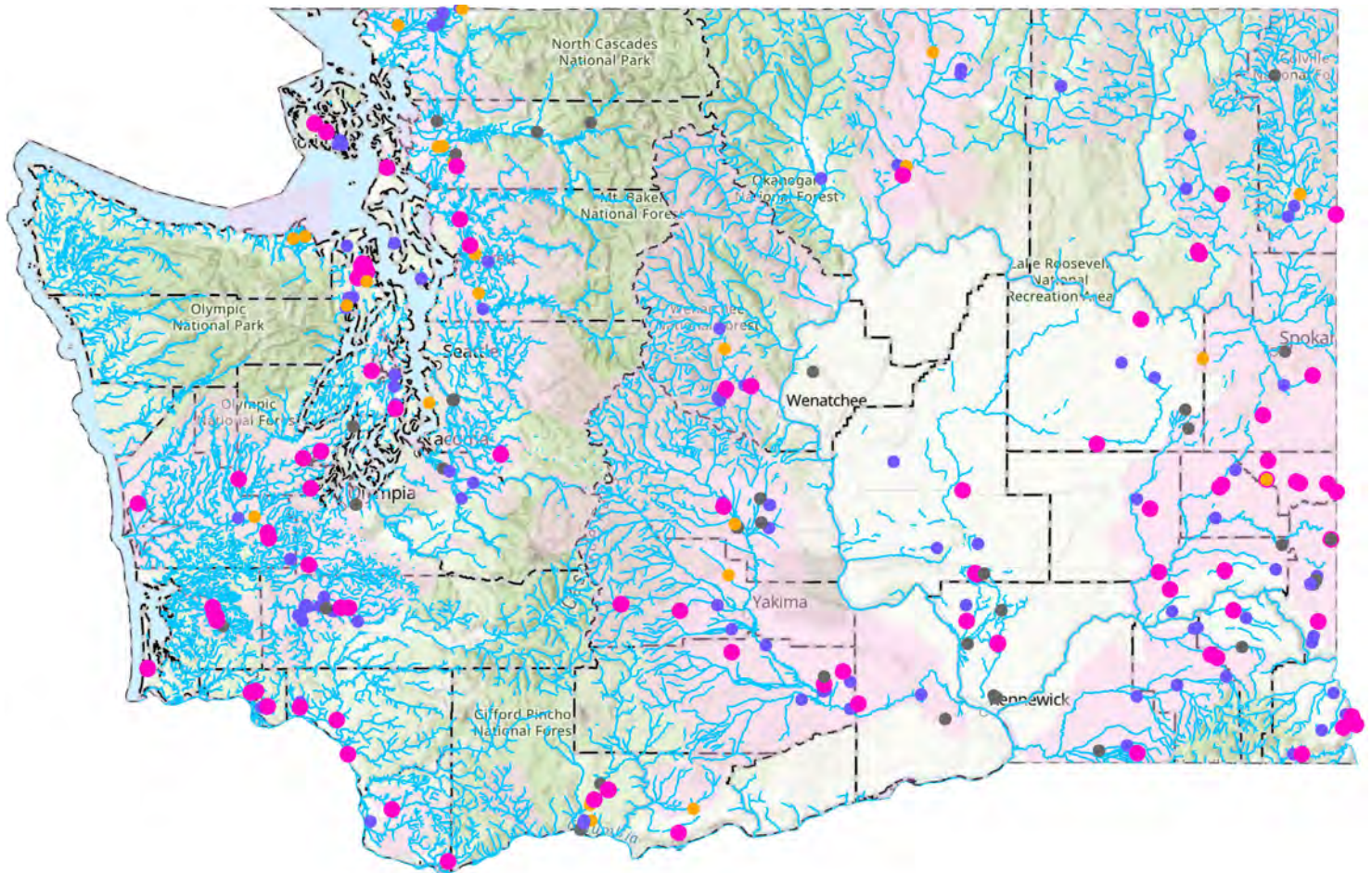
<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000022	40000022
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

# Natural Resource Investments (NRI) Program

Conservation districts use NRI funding to cover a portion of the cost of best management practices (BMPs) as an incentive for landowners to implement them on their properties. BMPs advance progress toward natural resource objectives, such as improved water quality and habitat, and are farm-friendly.

*Funding expended in 2019-21 state biennium: \$3,521,564*

## NRI Program Project Sites Funded in 2019-21 Biennium



### Legend

#### Completed NRI

- FY 2021
- FY 2020
- FY 2019
- FY 2018
- TMDL Watersheds
- Conservation District Boundary
- WA\_bdy
- Documented Fish Presence (WIFD)



Background layer: ESRI World Topographic Map  
 Prepared by Brian Cochrane, 12 April 2022



## What Does the Natural Resource Investments Program Look Like on the Ground?



Jefferson County Conservation District used NRI funding to help 15 landowners restore salmon habitat in Chimacum Creek through removal of reed canarygrass. The overgrowth of grass choked stream flow and contributed to flooding, pollution, and low oxygen levels. The pictures above show a stretch of Chimacum Creek before and after this project. *Learn more about this project on page 30.*



North Yakima Conservation District used NRI funding to implement a multi-landowner wildfire preparedness project with members of the Bootjack Cabin Association.



The top picture shows the typical dense vegetation of the surrounding area before project implementation. The bottom photo shows the same location after the project, which reduced flammable vegetation and created fuel breaks to make the area more defensible to wildfire. *Learn more about this project on page 37.*

## Biennium Highlights



**153**

best management practices installed



**25,118**

trees and shrubs planted



**25,561**

feet of stream protected

Learn more about NRI:  
[www.scc.wa.gov/nri](http://www.scc.wa.gov/nri)

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:53PM

Project Number: 40000030

Project Title: 2023-2025 Salmon Habitat Restoration Projects

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 2

### Project Summary

Requested funding will support the design and implementation of best management practices to restore and enhance critical salmon habitat statewide.

### Project Description

#### Project Description

Funding for design and implementation of best management practices in support of salmon habitat restoration will be allocated on a grant basis based on applications received by the SCC. The application will be designed to focus on important riparian and instream projects to restore habitat function and reduce stream temperature. Questions on the application will also address whether the proposed project is near other similar restoration projects to target funding in areas where multiple projects are implemented.

## Problem Addressed

Salmon recovery is a top natural resource priority for our state. Harvestable number of salmon are a Tribal Treaty Right. Salmon populations in Washington have continued to decline for various reasons. One key factor in the decline of salmon is the loss of critical salmon habitat for necessary for the success salmon life cycle. Furthermore, habitat degradation over many centuries has occurred on agricultural lands. Addressing salmon habitat restoration on agricultural lands can be challenging since the management practices needed to restore habitat could impact the available productive farmland for the farmer. This proposal, in combination with the SCC 2023-25 operating budget proposal for landowner outreach, will address this problem by engaging landowners with resources to implement riparian management practices in a manner that will not only achieve riparian restoration but do so in a way that allows the farmer to maintain agricultural production.

## Proposed solution and services provided

In the 2022 Supplemental Operating Budget, the state legislature provided \$10 million to the SCC for salmon riparian projects. SCC staff developed programmatic guidelines and an application review process to be ready by the July 1st date when the funds would be available. Within the first two months of implementation, the SCC had committed over 60% of the funding. This rate of allocation demonstrates the high demand by conservation districts for funding to implement salmon riparian restoration projects.

This proposal continues this successful program by shifting from operating to capital dollars to allow for flexibility along fiscal years in the implementation of the funding. Salmon habitat restoration projects, especially if taking place within the river or stream, must operate within what's known as the "fish window". This refers to a period of time, usually late-summer through the fall, when no in-river activities can take place because salmon begin their migration upriver to spawn. So the challenge with operating funding is it's availability after July 1 each fiscal year gives very little time to implement projects before the fish window sets in. Simply put, our state fiscal years do not align well to salmon restoration project schedules. As such, the capital budget would provide more flexibility than the operating budget for these projects.

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:53PM

Project Number: 40000030

Project Title: 2023-2025 Salmon Habitat Restoration Projects

## Description

For the implementation of the 2022 supplemental appropriation, the SCC staff developed program guidelines for the use of the funding. The SCC proposes to continue to use these guidelines for these requested funds. This would allow for the continued and seamless implementation of the program. The guidelines establish requirements for use of the funds, including requirements to utilize standards and practices for riparian restoration developed by the federal Natural Resources Conservation Service (NRCS). These scientifically developed and adaptively management practice standards are the standards currently used by conservation districts and technicians are trained in their application.

The SCC program guidelines also require the use of an application developed by SCC staff. Applicants must demonstrate a project that address a critical salmon habitat restoration function, address stream temperature issues, be near another restoration project to assist in targeting funds, and describe linkage to other salmon recovery or watershed restoration plan.

The original supplemental funding was for salmon riparian habitat projects. The SCC defined "riparian" to include only those projects in the upland area next to streams and rivers. The term does not include instream work that would benefit salmon habitat, including placement of large woody debris, bank stabilization to reduce sediments, and water diversions which would provide more instream flow for fish. This proposal is for all habitat restoration both instream and in the riparian area.

## Benefits for all

Requested funding will be available for all conservation districts in the state with listed salmonid species of concern. Funding will also be available where salmon species are at risk of listing. In developing projects, conservation districts will coordinate and collaborate with local entities including counties, lead entity salmon recovery groups, watershed restoration groups, tribes, state and federal agencies, and non-profit salmon recovery groups. District proposals will focus efforts along a stream reach in a targeted sub-basin so that multiple projects could have an impact on the resource in the area. This is a new approach for state salmon recovery funding. Rather than the existing approach of funding projects scattered across the watershed, the SCC salmon program seeks to target funding in a limited area for increased effect and impact.

Projects are open to all Washingtonians with salmon riparian habitat or fish-bearing streams on their property. By offering projects as cost-share, landowners on limited or fixed income will be able to participate in the program. This way we support this historically underrepresented segment of the agricultural community, while at the same time, implementing the necessary restoration and recovery practices the salmon need.

These projects will also benefit the tribes of the state. Washington Tribes have a treaty right for harvestable levels of salmon. By addressing habitat loss, this proposal will support the recovery of salmon to meet the tribal treaty obligations, as well as the tribal cultural needs.

State funding and resources are needed to support the design and implementation of best management practices for the restoration, enhancement and protection of critical salmon habitat. Although federal funding is available for certain projects, this funding is limited. Furthermore, state funding has more flexibility to meet the needs of the landowner and restoration specialists when planning and implementation projects. Finally, federal courts have consistently stated restoration and

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:53PM

Project Number: 40000030

Project Title: 2023-2025 Salmon Habitat Restoration Projects

## Description

recovery of salmon is a state obligation under the tribal treaties.

Until the supplemental budget appropriation to the SCC in 2022, there has not been an available, dedicated source of funding for salmon restoration projects by conservation districts. Districts can, and do, apply for project funding from other sources. but these are limited in amount and generally not flexible in addressing the unique situation of engaging with agricultural landowners for project implementation.

### Location

City: Statewide

County: Statewide

Legislative District: 098

### Project Type

Grants

Grant Recipient Organization: Conservation Districts

RCW that establishes grant: 89.08

Application process used

\*

### Growth Management impacts

Projects will support local GMA requirements to protect critical areas

## Funding

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
06A-1	Salmon Recovery Acct-State	50,000,000				10,000,000
	<b>Total</b>	<b>50,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000,000</b>

Acct Code	Account Title	Future Fiscal Periods			
		2025-27	2027-29	2029-31	2031-33
06A-1	Salmon Recovery Acct-State	10,000,000	10,000,000	10,000,000	10,000,000
	<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

## Operating Impacts

### Total one time start up and ongoing operating costs

Acct Code	Account Title	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
06A-1	Salmon Recovery Acct-State	100,000	105,000	110,000	115,000	120,000
	<b>Total</b>	<b>100,000</b>	<b>105,000</b>	<b>110,000</b>	<b>115,000</b>	<b>120,000</b>

**471 - State Conservation Commission  
Capital Project Request**

2023-25 Biennium

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**Version:** SC 2023-2025 Capital Budget Request

**Report Number:** CBS002

**Date Run:** 9/16/2022 12:53PM

**Project Number:** 40000030

**Project Title:** 2023-2025 Salmon Habitat Restoration Projects

**Operating Impacts**

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**Narrative**

This would be for a EP4 for project mgt.

## Capital Project Request

2023-25 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000030	40000030
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:55PM

Project Number: 40000024

Project Title: 2023-2025 Farmland Protection and Land Access

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 3

### Project Summary

Recognizing the urgent need to protect high quality farmland and to provide access to land for underserved farmers and ranchers, \$2,000,000 was included in the 2022 Supplemental Capital budget to launch the Farmland Protection and Land Access (FPLA) program. With one-time proviso funding, the program opened applications in August 2022. Two projects are already in the pipeline that would use 50% of the available funding with additional applications for the remaining funding expected. This decision package requests \$4,000,000 in ongoing capital budget funding to create a sustaining program to support next generation farmers and ranchers and protect high quality agricultural land.

### Project Description

#### Background

Between 2002 and 2017, Washington lost 640,000 acres of farm and ranch land (USDA Agricultural Census). This represents a loss roughly the size of Rhode Island. Farm and ranch land is the foundation of agriculture supporting a strong agricultural sector contributing over \$10.6 billion in the market value of crops and livestock and over \$21.8 billion in food processing revenue to the state's economy. To maintain this economic activity and regional food systems, we must preserve our productive agricultural land. However, Washington does not have the necessary resources to prevent the conversion of high quality farmland to residential, industrial, or commercial development.

Farmland loss is caused by myriad factors that are often intertwined. Reasons for the loss of agricultural land in Washington include challenges with the ever increasing cost of farmland; farm profitability; conversion to residential, commercial, or industrial development; and the lack of a farm successor.

Washington's farmers are aging with the average age of Washington farmers at 58 years old. There are more than five times as many producers over 65 than under 35 years old (USDA Agricultural Census, 2017). More than 70% of retiring farmers in Washington have not named a successor, placing more potential land at risk (USDA CSREES, Farmland Transition Update). Washington's farmer age demographics signal that a significant portion of our state's agricultural land will change hands in the next two decades. Farms often face the highest risk of conversion during ownership transitions.

Young and beginning farmers cite the cost of land as the number one barrier to starting or expanding their farm businesses. Multigenerational farmers also cite land access as their top challenge (Building A Future with Farmers, National Young Farmers Coalition, November 2017). Agricultural producers in Washington are disproportionately White (96%) and male (58%) when compared to the population as a whole. Black, Indigenous, or People of Color (BIPOC) producers make up less than 4% of Washington agricultural producers. No racial group (American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander) other than White constitutes more than 1% of agricultural producers in Washington (USDA Agricultural Census, 2017).

### Current Situation

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Project Title: 2023-2025 Farmland Protection and Land Access

## Description

FPLA funded agricultural conservation easements prevent farmland loss by ensuring quality farmland stays open and available for agriculture now and into the future. Through a voluntary transaction, permanent restrictions are placed on a property to prevent development incompatible with farming (e.g. turning the farm into a housing development or warehouse facility). By removing the speculative development value, an agricultural conservation easement increases affordability and promotes land access for farmers who otherwise would be priced out of farmland ownership.

The existing federal, state, and local funding sources for agricultural conservation easements are not sufficient to reverse Washington's farmland loss trend and require 2-5 years to complete a project. This lengthy timeline acts as a barrier for program usage. Existing programs all require a conservation entity to cobble together multiple funding sources to fully fund a transaction. Twenty-six counties lack a local funding source. Without local funding, the majority of Washington counties are severely constrained or outright excluded from participating in agricultural conservation easement funding programs. This creates geographic disparity and unequal access to state programs.

Recognizing the critical need to protect high quality farmland from development and make land access more equitable, the Washington State Housing Finance Commission (WSHFC) launched the Farmland Protection and Affordability Investment (FarmPAI) program in 2022. FarmPAI is a low-interest revolving loan fund for the fee simple acquisition of high-quality farmland at imminent risk of development. To advance equity and reduce disparity, projects that provide affordable farmland access to a farmer or rancher eligible and planning to pursue the Beginning Farmer and Rancher Loan program or to a historically underserved farmer and rancher as defined by USDA are prioritized.

FarmPAI's success requires a ready and flexible source of compatible agricultural conservation easement funding. With the requested funding, FPLA will be that source. By removing the development rights, FPLA funding ensures the farmland is permanently protected, the land is made affordable to the next generation farmer, and the revolving loan funds can be recycled into the program to help the next farmer access land.

## Proposed Solution

The funds provided in the 2022 Supplemental Capital budget jumpstarted the FPLA program. The program is less than a month old and 50% of the available funding is already spoken for with additional applications expected. The data around land loss and inequitable access to land make the case for the program. The application demand shows there is a need for an ongoing and sustained program. This decision package requests \$4,000,000 in ongoing capital budget funding to create a sustaining program to support next generation farmers and ranchers and protect high quality agricultural land. The statutory authority for FPLA already exists under RCW 89.08.530 and 89.08.540 but a program has never been consistently funded.

COVID-19 exacerbated farmland loss trends as disruptions in agricultural markets threaten farm profitability and dramatic increases in low density residential development in rural areas continue to drive up land prices. Increasing land prices puts farmland further out of reach for underrepresented farmers and ranchers. FPLA, in conjunction with FarmPAI, works to reduce



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**Description**

disparities in land access and promote economic opportunity for young, beginning, and underrepresented farmers and ranchers.

FPLA is an innovative approach to land protection and access. FPLA complements the “Buy-Protect-Sell” category of FarmPAI, a program of the Washington State Housing Finance Commission. FPLA serves the dual purpose of permanently protecting high-quality farmland and facilitating access to land for next generation farmers and ranchers.

FarmPAI provides conservation entities with low-interest loans for the fee-simple acquisition of at-risk farmland. FPLA grants fund the purchase of an agricultural conservation easement. The agricultural conservation easement ensures the land stays open and available for farming in perpetuity. By restricting or removing certain development rights that are incompatible with agriculture, FPLA funded agricultural conservation easements make farmland more affordable for the future farm owner.

Used in conjunction with FarmPAI, the FPLA program will result in the permanent protection of high-quality farmland at imminent risk of development and facilitate transfer to the next generation farmer. Additionally, FPLA reduces rural sprawl and the number of residential exempt wells, support fish and wildlife habitat, and helps sustain the future of agriculture in Washington.

To improve outcomes for all Washingtonians, FPLA prioritizes projects that facilitate land access for historically underserved producers, young or beginning farmers, people of color, and veterans.

**Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.** Please include annual expenditures.

The 2022 Supplemental Capital budget provided one time funding of \$2,000,000.

**Decision Package expenditure, assumptions, calculations and details:** Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

**Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

The primary performance outcomes will be the number of acres of agricultural land permanently protected and the number of farmers or farm businesses who are supported in accessing land. With sustained funding at the \$4 million per biennia level,

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Project Title: 2023-2025 Farmland Protection and Land Access

## Description

the SCC projects we will be able to permanently protect between 800-1,000 acres and facilitate land access on 8-10 farms.

### Fully describe and quantify expected impacts on state residents and specific populations served.

FPLA will permanently protect productive agricultural land and expand land access opportunities. Protecting agricultural land from conversion to more intensive uses benefits all of Washington. Farmland provides many ecosystem services enjoyed by all state residents including open space, scenic views, water storage and filtration, aquifer recharge, carbon sequestration, and fish and wildlife habitat. Critically, farmland is also a requirement for the production of local food and fiber. Access to high quality local food requires a critical mass of agricultural land. FPLA will also bolster rural communities and economies by ensuring land can stay in production, on the tax rolls, and generating income.

FPLA will support young, beginning, and underrepresented farmers who face additional barriers to land access. FPLA will increase farmland affordability and create new opportunities for agricultural business to begin or expand.

FPLA supports the following of the Governor's priorities:

- **Equity** – Funding will increase land access opportunities for underrepresented farmers and ranchers. To improve outcomes for all Washingtonians, FPLA prioritizes projects that facilitate land access for historically underserved producers, young or beginning farmers, people of color, and veterans. These groups represent the fastest growing segment of new farmers in Washington, but they are largely priced out of today's real estate market. These groups experience historic and existing barriers in accessing capital and in landownership.

- **Climate** – Farmland provides the opportunity for many climate benefits including carbon sequestration, lower greenhouse gas (GHG) emissions through the shorter supply chains supported by local food production and consumption, and lower GHG emissions when compared to urban areas. A report from California by American Farmland Trust found that on average urban areas emit 58 times more GHGs per acre than farmland. Conserving farmland by preventing its development is an effective strategy for alleviating climate change. Protecting the agricultural land base ensures the opportunity to implement climate friendly agricultural practices into the future.

- **Salmon recovery**: Salmon require cool, clean water to thrive. When compared to more intensive development, farmland provides the potential to provide water filtration, floodwater storage, and riparian habitat. Conservation Commission programs to restore and enhance salmon habitat, such as CREP, rely on continued engagement with agricultural land owners. Protecting agricultural land ensures the opportunity to implement salmon friendly practices into the future.

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**Description**

· **Prosperous economy:** Farmland protection ensures a future for agriculture in our rural and urban fringe communities where farming is a/the primary economic driver. COVID-19 has driven rural land prices up to historic levels which in turn is increasing the development pressure on prime farmland and high quality ranchland. Keeping land in production not only benefits the farm business, it supports all the local businesses farmers rely on (e.g. feed and farm stores, tractor and equipment dealers, community banks, processors, etc.)

· **Sustainable energy and clean environment:** In addition to the climate benefits listed above, farmland provides Washington communities with critical ecosystem services such as open space, scenic views, water storage and filtration, aquifer recharge, carbon sequestration, and fish and wildlife habitat.

**What are other important connections or impacts related to this proposal?**

**Impact(s) To:  
 Identify / Explanation**

**Regional/County impacts?**

Yes

**Identify:** This request provides additional financial resources to permanently protect high quality agricultural land and bolster local agricultural communities in alignment with Comprehensive Plans and regional planning documents. The requested funds would be eligible to be used as match to leverage local dollars such as those available through County Conservation Futures programs.

**Other local gov't impacts?**

Yes

**Identify:** This request provides additional financial resources to permanently protect high quality agricultural land and bolster local agricultural communities in alignment with Comprehensive Plans and regional planning documents. The requested funds would be eligible to be used as match to leverage local dollars such as those available through County Conservation Futures programs.

**Tribal gov't impacts?**

Yes

**Identify:** These programs will be available to Tribal members seeking to acquire farmland to support Tribal food security needs.

**Other state agency impacts?**

Select Y/N

**Identify:** This funding request would support the success of the FarmPAI program at the Washington State Housing Finance Commission. The request is in alignment with and complimentary to the Washington Wildlife and Recreation Program, Farmland Preservation Account at the Recreation and Conservation Office and the Department of Ecology's farmland easement funding under Floodplains by Design. Furthermore, the program would provide additional financial resources toward meeting the Growth Management Act requirement of conserving natural resource lands, such as farms and forests.

**Responds to specific task force, report, mandate or exec order?**

Yes

**Identify:** This request directly aligns with recommendations from the state's Food Policy Forum. The Food Policy Forum's Early Implementation Action Report includes a consensus recommendation to "implement a cooperative program between

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## Description

Washington State Conservation Commission and the Washington State Housing Finance Commission to provide low interest loan capital for practitioners to buy agricultural ground at high risk of conversion." The report further states: "In periods of economic uncertainty such as caused by COVID-19, agricultural land with significant development potential is more likely to be placed on the open market on short notice. By providing non-profits or other entities the loan funds to secure these important properties, this land can ultimately be protected with a conservation easement before being sold to low-income or new and beginning farmers through alternative financing models. The framework and transactional details of such a revolving loan program have been developed by key stakeholders and are ready for rapid implementation with additional agency collaboration." (Early Implementation Action Report, August 5, 2020, pg. 25)

The Food Policy Forum also recommends providing "\$100 million in funding to existing WSCC programs for the purchase of conservation easements or development rights to secure multi-benefit agricultural lands owned by producers most impacted by COVID-19. These tools not only provide direct cash support for producers in need but also reduce land costs for the next generation of farmers while protecting the conservation values of the property in perpetuity. The SCC's Office of Farmland Preservation has developed the flexible administrative structure, technical expertise, and relationships with conservation practitioners necessary to get significant funding on the ground quickly to support farmers in dire need." (Early Implementation Action Report, August 5, 2020, pg. 25)

### Facility/workplace needs or impacts?

No

**Identify:** This work would be undertaken by existing SCC staff. No additional staff would need to be hired.

### Capital Budget Impacts?

Yes

**Identify:** The WSCC is requesting \$4,000,000 in capital budget funds.

### Is change required to existing statutes, rules or contracts?

No

**Identify:** The Agricultural Conservation Easements Account is already established under RCW 89.08.540.

### Is the request related to or a result of litigation?

No

**Identify lawsuit (please consult with Attorney General's Office):**

### Is the request related to Puget Sound recovery?

Yes

**If yes, see budget instructions Section 14.4 for additional instructions.** This request directly supports Strategy 2, Working Lands of the 2022-2026 Puget Sound Action Agenda. FPLA advances both actions under this strategy: "Support the long-term viability and sustainability of agricultural lands and working forests to reduce pressure from conversion from the current use to a more developed use. (ID #4)" and "Support the expansion of market mechanisms to increase long-term viability and reduce conversion pressure for working lands. (ID #194)." FPLA directly aligns with the following "key opportunities":

- Expand incentives and technical assistance for agricultural lands and owners of working forests
- Expand transfer of development rights and easements

### Identify other important connections

**What alternatives were explored by the agency and why was this option chosen?**

This request builds on 2022 Supplemental Capital budget funding provided via proviso.

**What are the consequences of not funding this request?**

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## Description

If this proposal is not funded, the loss of high-quality agricultural land will continue at its current pace, keystone farms in agricultural communities will be lost to development, and unequal access to farmland will continue.

Not funding this proposal will make it more difficult to meet the Governor's climate and salmon recovery goals the prosperous economy, sustainable energy and clean environment, and DEI in service delivery goals in Results Washington.

### How has or can the agency address the issue or need in its current appropriation level?

The WSCC cannot address this need with its current appropriation level. The funding to start the program was one-time funding.

**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

· **Equity impacts to under-represented communities (i.e., demographic, geographic, and economic groups that are historically or currently underrepresented that may be affected by the policy, program and potential decision).**

o Funding will increase land access opportunities for underrepresented farmers and ranchers. To improve outcomes for all Washingtonians, FPLA prioritizes projects that facilitate land access for historically underserved producers, young or beginning farmers, people of color, and veterans. These groups represent the fastest growing segment of new farmers in Washington, but they are largely priced out of today's real estate market. These groups experience historic and existing barriers in accessing capital and landownership.

o FPLA will expand opportunity and access for farmers to acquire land by making farmland more affordable. The program will support farmers who otherwise can not afford land or meet the requirements of conventional lenders.

· **Populations benefiting from or burdened by the proposal (i.e., program or policy expands or reduces opportunities and access for individuals who have historically been excluded or underserved; change in policies or practices that perpetuate racial disparities and/or institutional racism; and availability and accessibility of benefits and resources distributed to communities that need it).**

o Funding will increase land access opportunities for underrepresented farmers and ranchers. To improve outcomes for all Washingtonians, FPLA prioritizes projects that facilitate land access for historically underserved producers, young or beginning farmers, people of color, and veterans. These groups represent the fastest growing segment of new farmers in Washington, but they are largely priced out of today's real estate market. These groups experience historic and existing barriers in accessing capital and landownership.

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Project Title: 2023-2025 Farmland Protection and Land Access

## Description

o FPLA will expand opportunity and access for farmers to acquire land by making farmland more affordable. The program will support farmers who otherwise can not afford land or meet the requirements of conventional lenders.

· **Only the highest priority policy enhancements or resource reprogramming operating and transportation budget proposals, consistent with Governor Inslee's priority goals.**

FPLA supports the following of the Governor's priorities:

· **Equity** – Funding will increase land access opportunities for young farmers who are part of underrepresented communities. These groups represent the fastest growing segment of new farmers in Washington. However, they face challenges with affordable financing to acquire farmland. FPLA will expand opportunity and access for farmers to acquire land by making farmland more affordable. The program will support farmers who otherwise can not afford land or meet the requirements of conventional lenders.

· **Climate** – Farmland provides the opportunity for many climate benefits including carbon sequestration, lower greenhouse gas (GHG) emissions through the shorter supply chains supported by local food production and consumption, and lower GHG emissions when compared to urban areas. A report from California by American Farmland Trust found that on average urban areas emit 58 times more GHGs per acre than the state's farmland. Conserving farmland by preventing its development is an effective strategy for alleviating climate change. Protecting the agricultural land base ensures the opportunity to implement climate friendly agricultural practices into the future.

· **Salmon recovery:** Salmon require cool, clean water to thrive. When compared to more intensive development, farmland provides the potential to provide water filtration, floodwater storage, and riparian habitat. Conservation Commission programs to restore and enhance salmon habitat, such as CREP, rely on continued engagement with agricultural landowners. Protecting agricultural land ensures the opportunity to implement salmon friendly practices into the future.

· **Prosperous economy:** Farmland protection ensures a future for agriculture in our rural and urban fringe communities where farming is a/the primary economic driver. COVID-19 has driven rural land prices up to historic levels which in turn is increasing the development pressure on prime farmland and high quality ranchland. Keeping land in production not only benefits the farm business, it supports all the local businesses farmers rely on (e.g. feed and farm stores, tractor and equipment dealers, community banks, processors, etc.)

· **Sustainable energy and clean environment:** In addition to the climate benefits listed above, farmland provides Washington communities with critical ecosystem services such as open space, scenic views, water storage and filtration, aquifer recharge, carbon sequestration, and fish and wildlife habitat.

### Location

City: Statewide

County: Statewide

Legislative District: 098

### Project Type

Grants

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Project Title: 2023-2025 Farmland Protection and Land Access

**Description**

Grant Recipient Organization: Land Trusts and Conservation Districts

RCW that establishes grant: 89.08

Application process used

\*

**Growth Management impacts**

The program provides additional financial resources toward meeting the Growth Management Act requirement of conserving natural resource lands, such as farms and forests.

**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	38,000,000				4,000,000
	<b>Total</b>	<b>38,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,000,000</b>

		Future Fiscal Periods			
		2025-27	2027-29	2029-31	2031-33
057-1	State Bldg Constr-State	6,000,000	8,000,000	10,000,000	10,000,000
	<b>Total</b>	<b>6,000,000</b>	<b>8,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

**Operating Impacts**

No Operating Impact

## Capital Project Request

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000024	40000024
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids



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Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000025

Project Title: 2023-2025 Irrigation Efficiencies

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 4

### Project Summary

The Water Irrigation Efficiencies Program (IEP) is a statewide effort to improve how water is delivered and applied on agricultural lands. Projects funded through this program provide improved on-farm water application so water use is more efficient, while still allowing the producer to grow crops. Program funding is also used to improve water conveyance to reduce water loss through leakage and evaporation. Water saved in this program is made available for other uses and users. In its 20+ years of implementation, the Irrigation Efficiencies Program has demonstrated measurable water resource improvement in over-allocated basins across the state. Washington State Conservation Commission requests a reappropriation of \$8,000,000 as pass-through funds for conservation districts to help the agricultural community implement water conservation measures and irrigation efficiencies projects. (State Building Construction Account)

### Project Description

#### Problem Addressed

The problem driving this request is a significant one: finding sufficient water supplies to meet the needs of people, farms, and fish. There are several approaches to address this problem, one of which involves improving our water use efficiency. Irrigation for farm production uses significant amounts of water, mostly in the arid regions of the state – and this use impacts water needs for fish and other users. This request addresses that problem by working with growers who use irrigation to improve the water efficiency of their irrigation systems. Water saved through these projects is placed back instream to help the state meet other resource needs. We will utilize the funding in this request to work closely with interested growers and water purveyors to ensure successful project development and implementation. This program has been proposed and funded every biennium since the 2001 legislative session with broad support.

#### Proposed solution

#### What is your proposed solution?

Modern irrigation equipment and delivery systems are designed to be more efficient than historically used systems. The new systems will deliver enough water to meet crop water demand with measurably less water than historic systems. The difference in the amount of water needing to be diverted is the saved water that will be left instream for other users and uses. Associated water conservation measures free up additional water resources through wise-use management decisions and practices.

The Water Irrigation Efficiencies Program has been successful, to date, in achieving on-farm water conservation and restoring stream flows. Using water more efficiently is the overall best solution to achieving instream flows while keeping a viable agriculture industry throughout the state. Other solutions, such as water acquisition, development mitigation, and increased water rights enforcement, could take agricultural lands out of production. These would result in negative economic impacts throughout the state. According to the Ruckelshaus Center's 2004 report, *Of Water and Trust*, ". . . it improves property values and provides greater options for land and crop use".

This request will continue a program that has been funded by the Legislature in prior biennia for on-farm irrigation system improvements. Funding the program will allow the SCC, and conservation districts to implement on-farm projects currently planned and for which demand is high. The agriculture community benefits by having more efficient use of water for irrigation,

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Project Title: 2023-2025 Irrigation Efficiencies

## Description

including reduced labor and maintenance costs and the potential for increased production. This request also directly enhances the quantity and quality of water instream for fish and other water users.

Conservation districts will develop and fund projects that are a mix of on-farm projects with private landowners and water conveyance projects with irrigation water purveyors. Conservation districts will continue to market the program and identify projects for future funding in the most critical basins throughout the state.

### What are you purchasing and how does it solve the problem?

This funding package will buy modern, efficient, irrigation infrastructure that is engineered, installed, and managed, to save water. Funding will also purchase supporting infrastructure like weather and soil moisture data collection instruments to enhance the effectiveness of projects and generally support local agricultural production. Conservation district staff will work with local irrigators and water users to develop projects and manage them efficiently.

This funding package will allow conservation districts to market, design, develop, and implement water savings conservation projects with producers and purveyors in irrigated agriculture during the 2023-25 biennium.

Modern irrigation equipment and delivery systems are designed to be more efficient than historically used systems. The new systems will deliver enough water to meet crop water demand with measurably less water than historic systems. The difference in the amount of water needing to be diverted is the saved water that will be left instream.

### What alternatives did you explore and why was this option chosen?

If this request is not funded, projects being designed and reviewed would not have funding to proceed. Irrigation efficiencies would not be achieved, and instream flows would not be enhanced. The state would not achieve our resource goals and objectives for water, potentially exacerbating ongoing disputes over water.

The acquisition of irrigated land and water by the State may be a simpler solution to getting more water instream. However, this option would take valuable agriculture out of production, creating a negative impact in the State. Drying irrigated ground also creates problems, such as, noxious weed infestation and drying up riparian habitat. ("Of Water and Trust: A Review of the Washington Water Acquisition Program"-2004, Ruckelshaus Center.)

### Assumptions and calculations

You must clearly display the caseload/workload/service-level changes and cost/savings assumptions and calculations supporting expenditure and revenue changes proposed. Please attach an electronic version (Excel) of detailed fiscal models and/or fiscal backup information.

The intent here is not to repeat the fiscal detail summarized above, but to expand and provide all underlying assumptions and calculations associated with this proposal. All calculations must include impacts to the 2019-21 *and* 2021-23 biennia and must support the fiscal summary detail.

### Detailed assumptions and calculations

- Continue funding for IEGP in 15 counties through their conservation districts with an average cost of \$23,957 per fiscal year (\$718,730/biennium). Conservation districts will staff the development of water savings projects with private landowners and

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Project Title: 2023-2025 Irrigation Efficiencies

## Description

water purveyors.

This project requires a total of 2.15 FTEs to continue working with conservation districts. This is the same level of FTEs supporting this capital project in prior biennia.

Strategic and performance outcomes

This request supports the Commission's strategic priority to Improve Natural Resource Conditions, and the Governor's Results Washington Goal 3, Sustainable Energy and a Clean Environment. It does this by:

- Helping meet the economic and community needs for reliable water supplies, while protecting and enhancing river flows for fish.

- Achieving adequate instream flows and providing water for communities statewide.

The benefit of improving instream flow and aquatic habitat from reducing on-farm water use (but still allowing crops to be grown) most closely aligns with Governor's Results Washington Goal 3 topics: Healthy Fish and Wildlife (sub-topic Pacific Salmon), Clean and Restored Environment (sub-topic Clean, Cool Water) and Working and Natural Lands (sub-topic Habitat Protection). By increasing the amount of water instream, fish are more likely to maintain healthy populations from higher water levels (enough water to live and reproduce), reduced water temperatures (enough cool water to better disperse heat), and through overall habitat improvements (food chain is maintained so they can find food to eat, shading from trees and plants is improved so the temperatures do not get to high, spawning grounds are available with the right size of gravel, etc.) This request supports elements of the Commission's Strategic Plan to improve natural resource conditions. The objective of this request is to continue achieving progress on over-allocated water statewide in a way that:

- Creates water demand reduction;

- Protects existing water rights from interruption during drought years;

- Adapts irrigated agriculture to meet the challenges of a changing climate; and

- Creates instream habitat, passage, and fish flow.

This request will also strengthen long-term strategic relationships with agriculture, industrial, municipal, and tribal communities in Eastern and parts of Western Washington.

Other collateral connections

### Intergovernmental

Describe in detail any impacts to tribal, regional, county or city governments or any political subdivision of the state. Provide anticipated support or opposition. Impacts to other state agencies must be described in detail.

Flow restoration is supported by Federal and tribal fish agencies. Local conservation districts benefit from enhanced funding available for water conservation projects. The Washington Departments of Ecology and Fish and Wildlife will benefit by the program's connections with local governments and technical staff in drought-prone and/or over allocated basins throughout the state. This program will also enhance the efforts of those agencies by complimenting their efforts to benefit the Southern Resident Killer Whales through increasing streamflow in tributaries of the Columbia and Dungeness rivers where Chinook Salmon inhabit.

### Stakeholder response

Agencies must identify non-governmental stakeholders impacted by this proposal. Provide anticipated support or opposition. This program will have a positive economic impact on irrigated agriculture in the state by creating resilient systems against increasingly damaging drought and climate change impacts. The support industry around agriculture will also realize a positive economic impact from equipment/infrastructure sales and installation, as well as processors, brokers, and other support entities.

### Puget Sound recovery

If this request is related to Puget Sound recovery efforts, see Chapter 12 of the budget instructions for additional instructions.

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000025

Project Title: 2023-2025 Irrigation Efficiencies

## Description

This proposal supports the PSP's Action Agenda Strategy #7 *Freshwater Availability*—Implement and improve technologies, voluntary programs, financial and technical assistance programs, and market-based approaches to reduce water demand and encourage conservation (ID #27). Implementation of this proposal increases on farm and conveyance water-use efficiency using cost-share incentives to replace outdated irrigation application systems and piping unlined irrigation delivery ditches using modern technology. It also increases the efficiency of these systems through irrigation water management planning technical assistance to recipients.

### Proviso

(1) The appropriation is provided solely for technical assistance and grants to conservation districts for the purpose of implementing water conservation measures and irrigation efficiencies. The state conservation commission shall give preference to projects located in the sixteen fish critical basins, other water-short or drought impacted basins, and basins with significant water resource and instream flow issues. Projects that are not within the basins described in this subsection are also eligible to receive funding. (2) Conservation districts statewide are eligible for grants listed in subsection (1) of this section. A conservation district receiving funds shall manage each grant to ensure that a portion of the water saved by the water conservation measure or irrigation efficiency will be available for other instream and out-of-stream uses and users. The proportion of saved water made available for other uses and users must be equal to the percentage of the public investment in the conservation measure or irrigation efficiency.

### Location

City: Statewide

County: Statewide

Legislative District: 098

### Project Type

Grants

Grant Recipient Organization: Conservatin Districts

RCW that establishes grant: 89.08

### Application process used

Conservation districts work with irrigators and water purveyors to identify project proposals to be included for funding consideration. Once this list is developed, Commission staff review project proposals internally and with agency partners. A final list is developed based on this review. Conservation districts receiving funding manage cost share agreements with recipients to ensure successful project implementation. The districts in coordination with Commission staff work with Ecology to ensure that a portion of the water saved by the conservation measures or irrigation efficiency projects have valid water rights. All irrigation efficiency projects require conservation district and Commission staff to help the recipient determine project eligibility, design approval, and net water savings. Once this is done, the projects can proceed. When awarding cost share, conservation districts must give first priority to family farms and projects in fish critical and water short basins; they may award funding for projects in other basins if local conditions warrant.

### Growth Management impacts

N/A

## Funding

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reapprops	New Approps
057-1	State Bldg Constr-State	38,000,000				6,000,000
	<b>Total</b>	<b>38,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,000,000</b>

**471 - State Conservation Commission  
Capital Project Request**

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000025

Project Title: 2023-2025 Irrigation Efficiencies

**Funding**

		Future Fiscal Periods			
		2025-27	2027-29	2029-31	2031-33
057-1	State Bldg Constr-State	6,000,000	8,000,000	8,000,000	10,000,000
	<b>Total</b>	<b>6,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>10,000,000</b>

**Operating Impacts**

**Total one time start up and ongoing operating costs**

Acct Code	Account Title	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
057-1	State Bldg Constr-State	350,000	350,000	350,000	350,000	350,000
	<b>Total</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>

**Narrative**

3.5 FTE's will be located in SCC.

## Capital Project Request

2023-25 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000025	40000025
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000029

Project Title: 2023-2025 Improve Shellfish Growing Areas

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 5

### Project Summary

Agricultural activities, septic systems, non-point runoff, and other activities can negatively affect water quality draining into Shellfish Growing Areas (SGA), which can trigger shellfish harvest closures. Based on 2013 data, the shellfish industry supports around 2,710 jobs in WA, and has generated \$184 million in revenue annually. The health of this industry, along with the wild shellfish harvest valued at over \$40 million annually, and critically important –and treaty protected – tribal use is threatened each year by closures. In addition, poor water quality can exacerbate localized ocean acidification problems. Since 2013, the Conservation Commission has worked with conservation districts and landowners to implement BMPs that protect Shellfish Growing Areas (SGAs) by improving the quality of water draining into them. These efforts help to keep these SGAs open and productive, thereby saving jobs and local economies while helping to honor treaty rights

### Project Description

#### Problem or opportunity addressed

Washington shellfish production is a vital industry for our state. It depends on clean water draining into Shellfish Growing Areas (SGAs) to allow for the harvesting of oysters, clams, mussels, and geoducks. In watersheds that drain into SGAs, upland human activities can contribute to poor water quality conditions that may cause those shellfish areas to close and prevent closed areas from reopening. Some of these activities include agricultural practices which, when improperly managed, can contribute bacterial and nutrient runoff into nearby streams and rivers, and improperly maintained septic systems, which can leak sewage into waterways.

When these activities contribute to shellfish growing area closures, it restricts commercial, recreational, and tribal harvest opportunities. Often times the landowners whose activities contribute to the degraded water quality are unaware of the issue or, once aware, cannot afford to correct the problem. This inaction leads to worsening water quality and potential enforcement by a regulatory agency, which adds a penalty cost to the initial cost to address the issue. Often times, the landowner lacks the funds necessary to correct the natural resource issue, and the added penalty cost can make it more difficult to afford the corrections.

In addition, ocean acidification has been identified as a critical issue along the Pacific coast in Pacific and Grays Harbor counties. Increased acidity of ocean waters negatively impacts shellfish growth from the larval stage by limiting the ability of the shellfish to form a shell. Although much of the ocean acidification issue is driven by larger ocean conditions, there are localized inputs, which can exacerbate acidity problems. Identified in the 2012 report of the Blue Ribbon Panel on Ocean Acidification, agricultural activities can contribute to these problems through improperly managed manure and fertilizers that get into Puget Sound and coastal marine waters.

Loss of recreational, commercial, and tribal shellfish harvest can cause significant economic impact to local communities, tribal economic and subsistence needs, and commercial shellfish operations. In addition, poor water quality can exacerbate localized ocean acidification problems. Maintaining harvestable levels of shellfish is a priority for the Governor and legislature, and is required by treaty agreements with tribes in the shellfish growing areas of the state.

#### Proposed solution

This funding will allow conservation districts to work with landowners – particularly those on agricultural land – to implement an estimated 150-200 practices that help keep our shellfish growing areas healthy. Funding will be administered through the SCC Shellfish Grant Program, which invests funding in high-priority watersheds draining into SGAs and build cumulative results for improved water quality.

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000029

Project Title: 2023-2025 Improve Shellfish Growing Areas

## Description

Conservation districts are community hubs of natural resource funding and expertise that empower landowners to take actions that keep our water, soil, and air healthy. Their staff provide site-specific plans and expertise to help landowners be better environmental stewards and farm more sustainably. Programs like the SCC Shellfish Grant Program allow conservation districts to provide cost-share for landowners to build and install conservation projects. Landowners demonstrate their commitment to the projects by investing in their share of the cost, resulting in a partnership with a common goal of protecting and improving natural resources. Often times, this transaction is all landowners need to overcome the technical and financial hurdles to addressing these environmental issues. It also helps landowners stay in compliance and avoid enforcement penalties, which are costly to both the landowner and the responsible regulatory agency. Because conservation districts are so successful in building trust with local communities, regulatory agencies often refer landowners to their conservation district for assistance before pursuing enforcement proceedings.

In this proposal, conservation district will continue their efforts to implement on-the-ground projects with landowners within watersheds that drain into SGAs. Projects will be identified in conjunction with other projects in a focused geographic area, such as a sub-basin in the watershed. The projects will be connected with local shellfish improvement efforts, such as a shellfish protection district. With the funding in this proposal, we can expect the increased number of on-the-ground projects implemented by conservation districts and landowners to address agricultural inputs that that can be detrimental to water quality.

### Equity

All Washingtonians benefit from this proposal through improved water quality and specifically the reopening of shellfish growing areas. Commercial and recreational shellfish harvesters will benefit by increased opportunities for harvest, which also helps to keep Washington's economy strong.

Grant funding is frequently provided to small-scale agricultural producers who cannot afford to implement the necessary BMPs to stay in compliance of water quality regulations Conservation districts benefit by having an additional source of funding with which to assist landowners in reducing negative impacts to waters of the state.

Tribes in the Puget Sound region as well as in coastal estuarine bays will benefit from reduced pollution impacting their shellfish growing areas, allowing for increased opportunities for them to exercise their treaty rights for the harvest of shellfish. Some of the districts are partnering directly with tribes on shellfish projects. For example, the Whatcom Conservation District has been applying for funding through the Shellfish Grant program to support the Lummi Tribe's efforts to expand its harvestable shellfish growing area, and the Clallam Conservation District recently partnered with the Jamestown S'Klallam Tribe on a riparian restoration project using Shellfish Grant funds to filter water flowing into the Dungeness SGA.

### Purchasing and Problem-solving

This funding supports installation of USDA Natural Resources Conservation Service (NRCS) best management practices (BMPs). These practices include, but are not limited to:

- fencing to limit livestock access to streams;
- riparian buffers along streams to filter water flowing from the land into the stream;
- downspout and rain flow management around barns and agriculture areas;
- installation of equipment to reduce and eliminate toxic chemicals from flowing off crop lands and into streams; and occasionally,
- repair or replacement of failing septic systems;

The Improving Shellfish Growing Areas program has received \$4M in funding during both the FY17-19 and FY19-21 biennia, and \$3.5M for the current FY21-23 biennium. Cost-sharing through this funding in FY17-19 allowed private landowners to invest in over 170 Best Management Practices (BMPs) to improve water quality in watersheds draining into shellfish growing areas.

Currently, all funds in the FY21-23 biennium have been committed to projects throughout the fourteen shellfish-producing districts, and there are currently requests to fund an additional 70 BMPs on 42 parcels totaling \$1.05M. It should be noted that these numbers underrepresent the actual need on the ground. When funding has been exhausted halfway through a biennium, districts generally stop submitting requests and wait until the next biennium when funds are available. Funding for the FY23-25 biennium can be used for those projects if other sources have not been secured, along with new projects resulting from the ongoing efforts by the districts to education landowners about good stewardship practices to protect water



# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000029

Project Title: 2023-2025 Improve Shellfish Growing Areas

## Description

quality and SGAs.

Alternatives

Failure to fund this proposal will jeopardize the Governor's priority objective of re-opening currently closed shellfish harvest areas in Puget Sound. It also will set back the goals of the Puget Sound Action Agenda, where re-opening shellfish growing areas is one of the strategic initiatives.

Washington State is the nation's leading producer of shellfish with a total revenue of farmed bivalves at \$184 million annually according to the Washington Shellfish Initiative Phase II Work Plan. The shellfish industry generates 2,710 jobs in the state, and the wild shellfish harvest in the state is valued at over \$40 million per year. Failure to fund this proposal will mean negative inputs stemming from agricultural runoff to shellfish growing areas would go unaddressed, increasing the likelihood of continued closures of harvest areas, negatively impacting this important economic activity in the state. Moreover, failure to fund this ongoing effort could put the state at increased risk of a legal challenge by Washington's treaty tribes who depend upon shellfish harvest for commercial and subsistence purposes. The state has an obligation to provide for available shellfish for tribal harvest to meet treaty obligations. Recent federal court decision indicate the state could be exposed to legal challenge if the state fails to address the negative habitat impacts that affect shellfish harvest.

### Assumptions and calculations

The SCC Shellfish Grant program funds NRCS BMPs that address water quality concerns – particularly caused by bacterial and nutrient loading – in watersheds draining into SGAs. The twelve Puget Sound and two coastal districts (Grays Harbor and Pacific) conservation districts with a service area that includes watersheds or stream reaches that flow into shellfish growing areas are eligible for this funding.

Conservation districts conduct outreach to landowners within these areas to develop potential projects addressing impacts to water quality. Districts enter potential projects into the Conservation Practice Database System (CPDS). Once per month, Conservation Commission staff review eligible projects to determine whether they satisfy qualification requirements including location of project relative to SGAs, relationship of project to other nearby shellfish funded projects, whether projects will reduce input of pathogens and nutrients into a SGA, and whether a project is part of Pollution Control Action Team (PCAT), a Pollution Identification and Correction (PIC) Program, Voluntary Stewardship Program (VSP), or other collaborative program addressing local natural resource concerns. Funding is awarded to the projects that best meet these funding criteria until all funding has been committed.

SCC staff are in the process of updating the Shellfish Grant programmatic guidelines for the FY23-25 biennium to clarify the criteria used to select projects, incorporate better science into determining most effective projects and parcel locations, and to streamline the application process, which is more in-depth than other SCC grant programs. SCC staff is also working more closely with the Shellfish Growing Area team at the State Department of Health (DOH) Office of Environmental Health and Safety to be more informed about the ongoing statuses of SGAs and to potentially prioritize a portion of the Shellfish Grant funds when a SGA is at risk due to an acute event caused by agricultural runoff.

### Strategic and performance outcomes

Strategic framework

The SCC Shellfish Program supports and is included in objectives in Goal 1 of the Washington Shellfish Initiative, Phase II - Ensure clean water to protect and restore growing areas in Puget Sound and on the coast:

- 1.1 Support sustainable local nonpoint source pollution control programs and strategies. (DOH, ECY, WSCC, WSDA)
- 1.2 Advance efforts to ensure manure land-application practices do not negatively impact water quality. (WSDA, WSCC, ECY, EPA)

It also supports an objective of Goal 2 1 of the Washington Shellfish Initiative, Phase II - Embrace strategies to address ocean acidification's impact on shellfish:

- 2.2(a) Understand how local, land-based contributions affect ocean acidification by: providing support to water quality programs that reduce nutrient and organic carbon loading.

The SCC Shellfish Program decision package also addresses several Strategies of the 2022-2026 Puget Sound Action

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 Capital Project Request

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000029

Project Title: 2023-2025 Improve Shellfish Growing Areas

**Description**

Agenda Implementation Plan, including:

- Strategy 2: Working Lands - Support the long-term viability and sustainability of agricultural lands and working forests to reduce pressure for conversion from the current use to a more developed use. (ID #4)
- Strategy 4: Riparian Areas - Provide incentives, financial and technical support to local jurisdictions that have prioritized riparian restoration. (ID #201)
- Strategy 12: Working Lands Runoff - Facilitate the increased use or performance of best management practices to reduce pollutants and the volume of runoff from agricultural lands and working forests. (ID #5) and Expand and improve incentives and education for agricultural land users to motivate voluntary actions for reducing fecal pollution. (ID #7)
- Strategy 25: Economic Benefits - Support natural resource sector jobs and production opportunities. (ID #164)

This budget package also relates to the following SCC Strategic Priority Areas and Goals:

Voluntary Conservation of Natural Resources =

- Goal I - Protect and enhance fish and wildlife habitat
- Goal II - Protect and improve water quality and availability

Performance outcomes

The SCC anticipates funding at least 170 BMPs in the FY23-25 biennium and is looking forward to further coordinating with DOH and being responsive to SGAs identified as impaired or under threat of impairment or closure.

In addition, the SCC Shellfish Grant program served as a beta tester for the PSP's efforts to develop performance measures to help quantify program goals (targets):

"The Conservation Commission has committed to accelerating program performance and contributions to Puget Sound recovery over the next four years, by setting a quantitative goal (program target) as part of the 2022-2026 Action Agenda: *by 2025, to fund the installation of BMPs in agricultural areas in Puget Sound with a cumulative effectiveness index of over 170, 24,878, and 687 per year for BMPs measured in acres, feet, and by number, respectively.*

The effectiveness index is calculated based upon the units of measurement for a BMP installed (acres, linear feet, and number) multiplied by the NRCS Conservation Practice Physical Effects (CPPE) rating (rating scale of 1-4 based on BMP efficacy) for the BMP installed. The higher the CPPE rating, the more effective the BMP is at reducing nutrient or fecal inputs to adjacent water bodies. The CPPE rating is a proxy for the effectiveness of a project at reducing nutrient and fecal inputs into local waterways. To achieve higher Effectiveness Index scores, the Shellfish Program would need to either fund more effective BMPs, fund a larger volume of BMPs, or both."

**Other collateral connections**

Intergovernmental

Describe in detail any impacts to tribal, regional, county or city governments or any political subdivision of the state. Provide anticipated support or opposition. Impacts to other state agencies must be described in detail.

Stakeholder impacts

Both the shellfish industry and agricultural community are positively impacted by the SCC Shellfish Grant program. We anticipate support from both stakeholder groups.

Puget Sound recovery

If this request is related to Puget Sound recovery efforts, see Chapter 13 of the budget instructions for additional instructions.

Other supporting materials

Attach or reference any other supporting materials or information that will help analysts, policymakers and the public understand and prioritize your request.

**Location**

City: Statewide

County: Statewide

Legislative District: 098

**471 - State Conservation Commission  
Capital Project Request**

2023-25 Biennium

\*

Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:56PM

Project Number: 40000029

Project Title: 2023-2025 Improve Shellfish Growing Areas

**Description**

**Project Type**

Grants

**Grant Recipient Organization:** Conservation Districts

**RCW that establishes grant:** 89.08

**Application process used**

N/A

**Growth Management impacts**

Projects will support local GMA requirements to protect critical areas.

**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	20,000,000				4,000,000
	<b>Total</b>	<b>20,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,000,000</b>
<b>Future Fiscal Periods</b>						
		<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	<u>2031-33</u>	
057-1	State Bldg Constr-State	4,000,000	4,000,000	4,000,000	4,000,000	
	<b>Total</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	

**Operating Impacts**

No Operating Impact

## Capital Project Request

2023-25 Biennium

\*

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000029	40000029
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids



## LUMMI INDIAN BUSINESS COUNCIL

2665 KWINA ROAD BELLINGHAM, WASHINGTON 98226 (360) 312-2000

Natural Resources

DEPARTMENT \_\_\_\_\_

DIRECT NO. \_\_\_\_\_

**To:** Whatcom Conservation District  
6975 Hannegan Road  
Lynden, WA. 98264

**Attent:** Brandy Reed, Executive Director

**From:** LNR Department/Flavian Point, Hatchery Manager

**Subject:** *Contract No. 16-14-SH*/Additional Funds/Expand current harvest area by 24 acres

**Date:** 01/12/2022

Hello Brandy,

Hope that this letter finds you well and that you and your team are staying safe. I first would like to extend our appreciation to the Washington State Conservation Commission and the Whatcom Conservation District for funding our Substrate Enhancement Project in Lummi Bay.

The project has been going very well overall considering all of the uncertainties that we've had to overcome this year. Phase I is looking great so far and we are requesting for more shellfish funds to increase the total harvest area in Lummi Bay from 25 acres to 49 acres (See attachment) if your program has any available funds or redistribution funds available for FY 2022-20223.

Our Hatchery Manager, Flavian Point, has been doing an excellent job making very good use of the funds provided for this project, thank you. The harvest area in Lummi Bay that has already has been graveled is looking very good and has firmed up very well. Our Hatchery staff has already out planted 43 million Manila Clam seed on the first completed harvest area (25 acres) and the seed have been responding very well so far.

Continuing to increase the shellfish harvest area in Lummi Bay is critically important to our community as the Portage Bed will remain closed for fall/winter harvest for some time because of the continued high counts of bacteria over the shellfish harvest area. Unfortunately, the Lummi shellfish harvesters have been heavily impacted by the continued closure of Portage Bay and the COVID-19 pandemic this year.

The infrastructure for this project is now in place, so any additional funding can be focused on increasing the shellfish harvest area in Lummi Bay. Your consideration to pursue funding to support shellfish projects like this for the next biennium would be greatly appreciated by the Lummi Nation.

Below is a budget table for the additional funds that we are requesting for FY2022-2023.

	<b>Task Description: Increase Harvest Area by 12 acres</b>		<b>Costs</b>
1	Labor: Substrate Enhancement Specialist & Shellfish Technician		\$122,331
2	Gravel: 3,000 tons for additional 12 acres		\$72,000
3	Fuel & Supplies		\$2,300
	Total Direct Charges		\$196,631
	Indirect Charges (29.79%)		\$37,128
		Total:	\$233,758.75

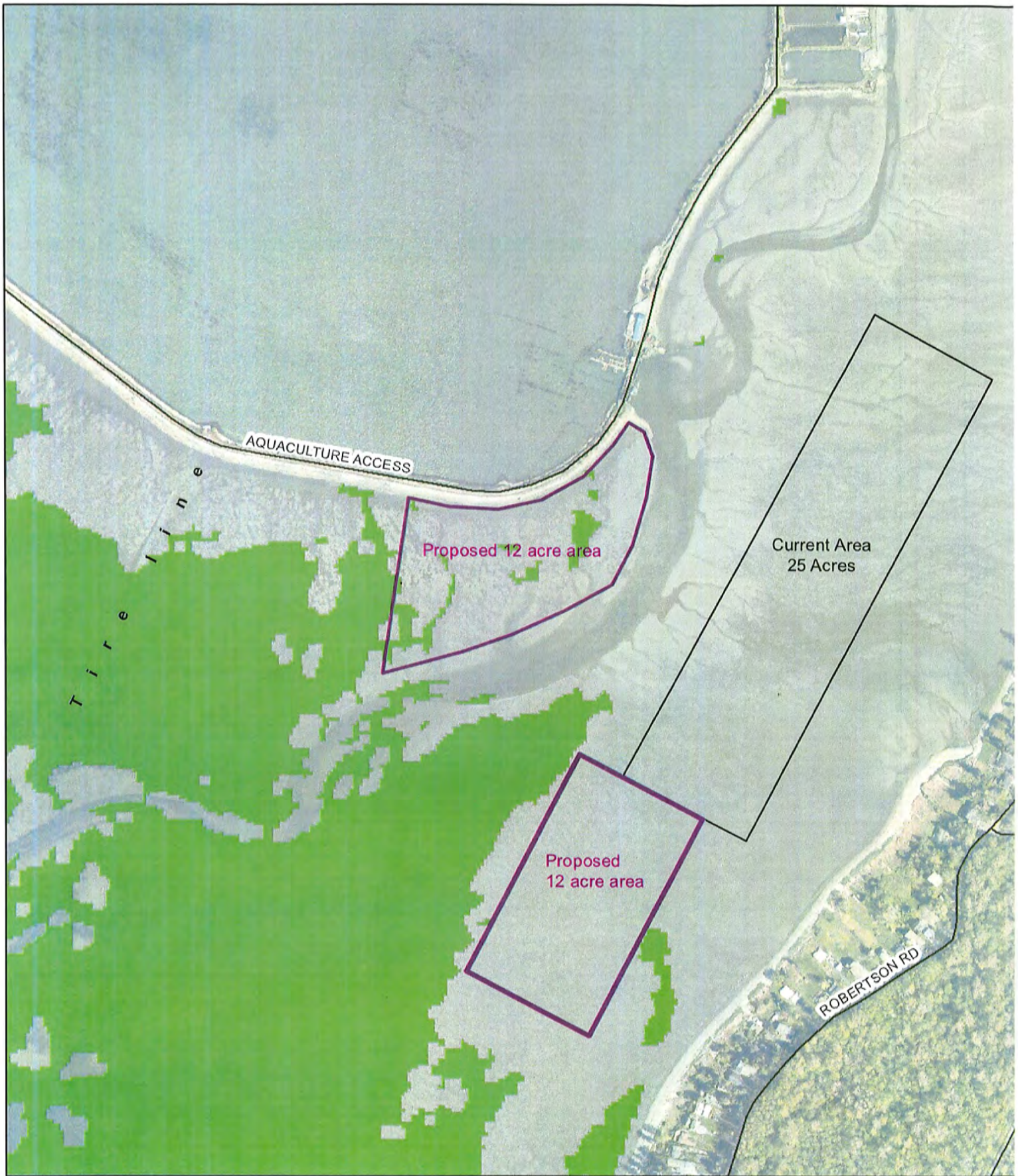
On behalf of the Lummi Natural Resources Department, I would like to express our appreciation for providing the Lummi Nation Tribe with the opportunity to work with your team. We look forward to continue working with your organization and to completing this great project.

Please contact our office if you have any questions or if you need any additional documentation.

Kind Regards,

Merle Jefferson, Natural Resources Director

Cc: Carol Smith, Executive Director of the Washington State Conservation Commission; Brandy Reed, Executive Regional Director; Flavian Point, Lummi Hatchery Manager



2021-05-19-10-36-52

# Proposed 2021 Gravel Enhancement Area in Lummi Bay

 WaDNR Eelgrass

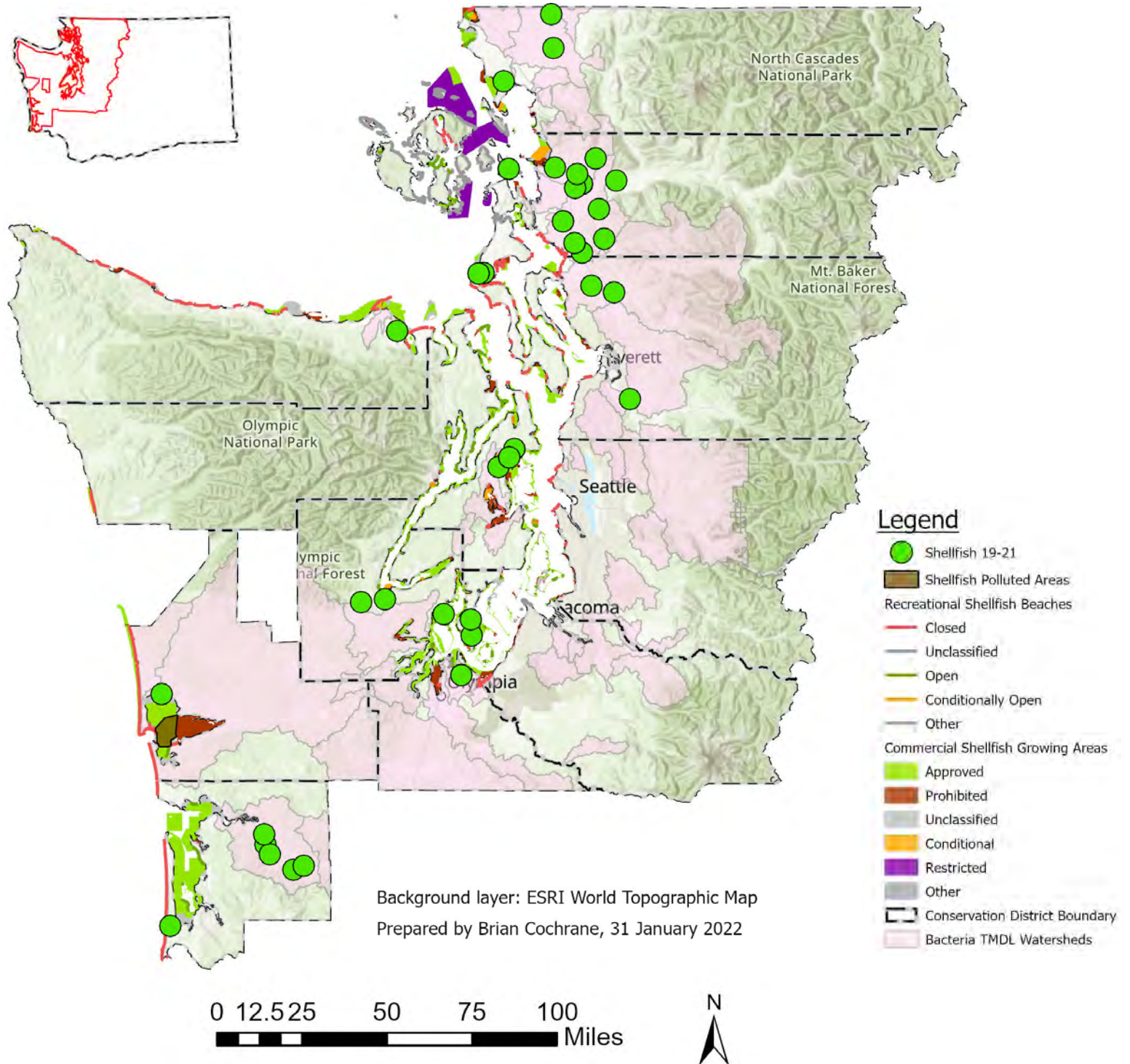


# Shellfish Program

Our Shellfish Program uses a targeted approach to invest in best management practices (BMPs) implemented by conservation districts and landowners that build cumulative results for shellfish recovery. Priority is given to “project clusters” within a watershed where there’s a water quality concern.

*Funding expended in 2019-21 state biennium: \$2,434,378*

## Shellfish Program Project Sites Funded in 2019-21 Biennium





## What Does the Shellfish Program Look Like on the Ground?



Skagit Conservation District used Shellfish Program funding to assist a livestock owner with water quality projects. The property is in an area that drains to the Samish River and then to Samish Bay, where more than 4,000 acres of commercial shellfish are grown.



The district worked with the property owner to build a livestock waste storage facility to facilitate composting and prevent groundwater contamination. Photos show site before (top) and after implementation (bottom).



The Shellfish Program funds several practices that benefit water quality, including protection of areas heavily used by livestock and construction of manure storage facilities. *Read San Juan Islands Conservation District's story on page 46 to learn more.*

## Biennium Highlights



**170**

best management practices installed



**2,295,204**

gallons of liquid manure per day safely transferred away from waterways



**15,993**

feet of stream protected

**Learn more:**

[scc.wa.gov/nri](http://scc.wa.gov/nri)

Contact:

Alison Halpern  
360-280-5556

[ahalpern@scc.wa.gov](mailto:ahalpern@scc.wa.gov)

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:57PM

Project Number: 40000026

Project Title: 2023-2025 Regional Conservation Partnership Program (RCPP)

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 6

### Project Summary

This request covers state match needed to bring millions of Farm Bill dollars to Washington for Regional Conservation Partnership Program (RCPP) projects that unite multiple partners in solving natural resource issues. The Washington State Conservation Commission (SCC) has been designated to pass-through required state capital match for five RCPP projects. On average, every state dollar invested in RCPP leverages nearly \$5.00 in federal and other partner contributions. RCPP projects create hundreds of jobs and make measurable progress on urgent issues, including fish passage, flood control, orca recovery, irrigation and water supply, forest health, and farmland preservation. Without state match, these RCPP projects — most of which have been under development for years — will lose these environmental and economic benefits.

### Project Description

#### Background

The Regional Conservation Partnership Program (RCPP) is a U.S. Department of Agriculture (USDA) grant program originating with the 2014 federal Farm Bill. The RCPP grant program awards Farm Bill program funding to an identified project lead, such as a conservation district, to implement an approved project proposal. Project proposals often include many other partners committing to do work as well. The RCPP requires non-federal match funding be brought to the table and each RCPP grant that has been awarded in Washington to date has identified and cobbled together multiple sources of match funding in order to secure the grant awards from USDA which bring millions of dollars in federal funding into Washington to be put into conservation on the ground. State match funding through the Conservation Commission is only one source of match funding utilized to meet the requirements of the RCPP program. See attached *RCPP 1-Page* document. The RCPP requires coordination between the USDA Natural Resources Conservation Service (NRCS) and state/local partners to deliver conservation technical and financial assistance to agricultural producers and landowners. Special emphasis is placed on services to those who are historically under-served. Outreach to: new and beginning farmers, veterans, tribal members, limited English proficiency populations, limited-resource, and socially disadvantaged potential program participants is considered by the RCPPs based on what is appropriate for the local community needs and composition.

Potential projects and practices include but are not limited to: exclusion fencing to keep livestock out of streams; manure management systems; irrigation water efficiencies; conservation easement acquisition and due diligence; soil health protection and enhancement, and forest health improvements. These types of projects are vital in protecting and restoring natural resources, enhancing soil conservation in agricultural settings, and contributing to clean air and water for the benefit of all Washingtonians. Additionally, RCPP projects help support local food producers and food systems through finding practical and innovative solutions to natural resource challenges that also help protect or improve a farms' bottom-line. This request would provide the remaining state matching funds required for five RCPP projects across Washington for the 23-25 biennium.

#### Current Situation

Since program inception in 2014, the RCPP program encourages local entities to reach out to multiple partners and develop local, coordinated implementation approaches that will bring together multiple fund sources to address natural resource issues in a targeted fashion. The local entities could be a conservation district, a county, or a local non-profit organization such as a land trust. Potential partners include all of these local entities as well as state and federal agencies or Tribes. The role of the State Conservation Commission (SCC) in this program is to assist in seeking and providing state matching funds for RCPP's where conservation districts are involved. The SCC works with local project sponsors who have been selected by NRCS as an RCPP project. This work with local sponsors includes the pass-through of state matching funds and tracking the use of the funds to ensure accountability of public funds.

All entities involved in natural resource protection and restoration on agricultural lands face limited financial ability and staff capacity constraints. RCPP augments these limited financial and staff resources more efficiently by coordinating the work on the ground to assist landowners. The proposals will also be more effective with the limited funds by targeting combined

# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:57PM

Project Number: 40000026

Project Title: 2023-2025 Regional Conservation Partnership Program (RCPP)

## Description

dollars from multiple sources for a focused resource outcome.

There are currently five RCPP's that are requesting state match funding as part of their overall project budgets. These RCPPs cannot continue implementing conservation practices on the ground without this funding. See attached *RCPP 1-Page* for more information on the scope of each current RCPP.

### Wat is your proposed solution?

How do you propose to address this problem, opportunity or priority?

The 2014 federal Farm Bill created the Regional Conservation Partnership Program (RCPP) within the U.S. Department of Agriculture (USDA). The program was updated in the 2018 Farm Bill. RCPP grant awards are five-year initial agreements that require partnership and coordination between the federal Natural Resources Conservation Service (NRCS) and local partners to deliver conservation technical and financial assistance to agricultural producers and landowners, combining components and opportunities from numerous traditional NRCS Farm Bill programs for improved coordinated delivery of these programs at the local level as well as supporting innovations to deliver traditional Farm Bill programs.

State matching funds for project costs are required for approved proposals. Without state match, funding the current RCPPs cannot continue and will likely lose their federal grant awards. Additionally, all matching funds must be secured for a proposal to be competitive in the RCPP selection process. This request would provide state match for five RCPP projects. This proposal is for \$3,000,000 for the 2023-25 biennium to satisfy the remaining match funding need.

Potential projects and practices include: habitat restoration and riparian buffers for at-risk salmonid species (an important cultural food source), exclusion fencing to keep livestock out of streams to improve water quality, manure management systems to improve water quality of surface and ground water; irrigation water efficiencies to conserve the resource for fish-passage streams and minimize effects of drought and climate change; conservation easement acquisition to preserve precious farmland; direct seed drilling/no-till techniques and innovative, cost-effective riparian buffer programs to essentially halt soil erosion and sedimentation of rivers; practices to improve forest health and minimize threats from catastrophic wildfires and maximizing economic opportunities of local food and fiber producers.

Natural resource improvements are also expected, and have been realized already, as the on-the-ground projects are installed. By implementing projects in a focused, targeted area, the environmental effect is magnified. For example, longer stretches of river will be protected, more acres of land irrigated more efficiently, and more no-till acres applied in these focus areas. The state matching funds requested will leverage federal and local funding to increase the number of on-the-ground management practices that will be implemented, supporting our food and fiber producers, our food system, and our economy.

### Why is this proposed solution the best option?

This proposal combines efficiencies of a coordinated and targeted project approach with extensive leveraging of other funding sources to implement conservation on the ground across the state. The RCPPs that are ongoing have tremendous implementation momentum with engaged partnerships, leveraging of funds, and willing participants lined up to install conservation practices. This is the best option because prior disjointed, uncoordinated approaches missed resource-leveraging opportunities and did not achieve the rate of conservation adoption and implementation that the RCPPs can. Additionally, this targeted and coordinated approach magnifies the local economic support with an infusion of funds to complete local work and supports our food and fiber producers by bringing together multiple and varied resources and programs they may participate in.

### Identify who will be affected by this decision package (DP) and how.

There are three levels of potential positive impacts from this DP. The first level will be realized by RCPP project leads who will be able to continue the great work that has already begun to implement a wide variety of necessary conservation practices across landscapes. The second level of positive impacts will be felt by landowners and agricultural producers participating in these RCPPs who will be able to continue participation as well as new participants will be able to complete projects as well. The third level of positive impacts are public benefits realized by all Washingtonians through the environmental improvements brought about by implementation of RCPP projects, continued access to local foods as our farmers are supported in their work with RCPP projects, and economic support by the jobs created through implementation of conservation projects.

### How many clients will or will not be served? Served by whom?

**471 - State Conservation Commission  
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**Description**

Each RCPP is implemented through a coordinated local partnership approach leveraging the strengths and resources of each participating partner to assist and serve landowners and agricultural producers to implement conservation practices or establish conservation easements. It is difficult to make a prediction as to how many clients may be served by each of the RCPPs because each has a different partnership structure and is focusing on addressing different, locally prioritized, natural resource concerns. Conservation districts are often the participating organization that is providing the 1:1 communication and technical assistance to landowners to help them access the opportunities that RCPP can offer. Hundreds of landowners have been assisted since the first RCPP was awarded in Washington in 2015. To maintain momentum in responding to requests from landowners, this funding is necessary. Otherwise, it is clear that no clients may be served if this DP is not funded.

**What are you purchasing and how does it solve the problem?**

**o What services and/or materials will be provided, when and to whom?**

The RCPPs are each structured differently but services and/or materials to be provided includes but is not limited to: technical assistance such as conservation planning, practice implementation assistance, follow up natural resource condition monitoring and assistance; outreach and education to recruit new participants; acquisition of conservation easements; and financial assistance that can be tailored to any demographic of landowners and/or agricultural producers as cost share for implementation of practices. This requested state match funding fills a different niche in the project budget of each RCPP to enable progress to continue based on what resources participating partners are able to bring to the table. This DP solves the problem of missing funding or a gap in the ability of each RCPP to fully implement their projects and bring federal dollars into Washington. This DP also works to solve natural resource issues on a varied and broad scale that are identified and prioritized locally but are also important to all citizens of Washington such as clean water, clean air, improved wildlife habitat, access to locally grown foods and fiber, and economic benefits through job creation as well.

**How will these purchases achieve the desired outputs, efficiencies and outcomes?**

This DP will achieve the goals and objectives for natural resource improvements and protection as described in each distinct RCPP project proposal in a coordinated and efficient manner, leveraging multiple sources of funding. This funding is a key piece of each RCPPs project budget and without it; the coordinated and targeted structure cannot achieve the full success planned for each project.

**Location**

City: Statewide

County: Statewide

Legislative District: 098

**Project Type**

Grants

**Grant Recipient Organization:** Conservation Districts

**RCW that establishes grant:** 89.08

**Application process used**

Under federal guidelines, state, local and non-profit entities are allowed to submit applications to NRCS for RCPP consideration. Following review of the applications, NRCS will select a few for full proposal submittal and consideration for final RCPP designation. Applications are scored on the availability of matching resources by partners and if no state funding match is available we will miss out on the opportunity to leverage state funding of up to \$25 million of federal funds.

**Growth Management impacts**

Implementation projects support GMA critical area protection requirements within respective project areas.

**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations

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**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	27,000,000				3,000,000
	<b>Total</b>	<b>27,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000,000</b>

		Future Fiscal Periods			
		2025-27	2027-29	2029-31	2031-33
057-1	State Bldg Constr-State	6,000,000	6,000,000	6,000,000	6,000,000
	<b>Total</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>

**Operating Impacts**

No Operating Impact

## Capital Project Request

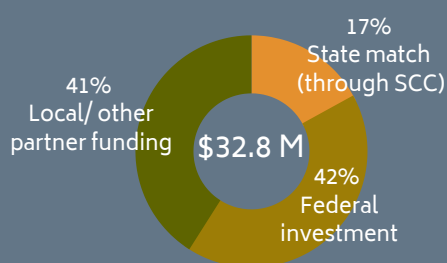
2023-25 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000026	40000026
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

# RCPP Matching Funds

A magnet for leveraged funds

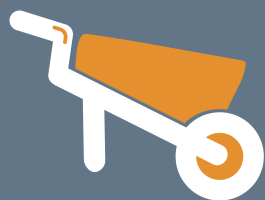


State match represents 17% of the five-year budgets for 5 RCPP projects. The remaining 83% (contingent on state match) from other federal partner contributions.



### Leverage of 5 to 1

On average, every dollar of RCPP state match will leverage \$5 in federal and other partner contributions.



### Putting Washington to Work

For each RCPP, multiple projects are constructed. Over the length of the project, these five projects will generate over 1,000 jobs.

## Proposal

**Funding requested: \$3 million**

The Regional Conservation Partnership Program or RCPP is a Farm Bill program that awards federal funding to projects where multiple partners invest in cooperative action to solve natural resource issues in targeted areas. Grant awards require match, and the Washington State Conservation Commission (SCC) has been designated to pass-through state capital matching funds for successful RCPP recipients.

## Why this can't wait

- RCPP is an efficient way for federal, state, tribal and local partners to coordinate efforts and make landscape-scale improvements on urgent issues, including soil health, salmon and orca recovery, farmland preservation, drought resilience and forest health.
- Partners of five RCPP projects in Washington have already committed millions of federal and local funding to support their work. But they need state match to secure those commitments and make their budgets whole.
- Many of these five-year projects have been in progress for years and landowners have signed contracts to work with partners on actions that meet their goals. Without a state match, the project contracts won't be met, jeopardizing trust.

## What does RCPP look like on the ground?



Installing fish-friendly screens on irrigation intakes.



Upgrading irrigation systems to more efficient sprinkler systems.



Removing fish barriers and replacing them with bridges that allow fish access.

# RCCP Projects in Washington

RCCP projects that receive state match through SCC stretch across Washington improving natural resource conditions and generating over a thousand jobs for our communities.

## 1 Palouse River Implementation Partnership WRIA 34

- **Lead partner:** Palouse Conservation District
- **Project:** Engaging agricultural producers (through incentives) to implement the Palouse River Watershed Management Plan. Thus improving water quality and soil health, and reducing regulatory action.

## 2 Middle Columbia Steelhead Partnership

- **Lead partners:** Kittitas County Conservation District and the Confederated Tribes and Bands of the Yakama Nation
- **Projects:** Accelerating the recovery of the threatened Mid-Columbia steelhead by targeting high-priority watersheds, which produce more than 50% of the wild steelhead in the Yakima River Basin.

## 3 Puyallup Watershed Partnership

- **Lead partner:** Pierce Conservation District
- **Project:** Working to permanently conserve 1,000 acres of prime farmland and assist landowners with restoration activities that enhance salmon habitat and preserve the economic and ecosystem benefits that farmland provides.

## 4 Southwest Washington Small Forest Lands Conservation Partnership

- **Lead partner:** Washington Department of Fish and Wildlife
- **Project:** Assisting small forest landowners with forest stewardship plans that improve habitat, protect water quality, improve forest resiliency and keep working forests working.

## 5 Poop Smart Clark Program

- **Lead partner:** Clark Conservation District
- **Project:** Connecting landowners with the tools they need to drive social change, adopt better management practices and correct sources of sediment, nutrient and bacteria runoff in Clark County.

## 6 Fuel Break & Forestry Resiliency Partnership

- **Lead partner:** Cascadia Conservation District
- **Project:** Increasing the scope and scale of wildfire risk reduction and wildlife enhancement projects in areas identified by DNR, US Forest Service, local utilities and fire districts as critical for restoring forest health and improving response to wildfire.

## 7 Odessa Groundwater Replacement Program

- **Lead partner:** Columbia Basin Conservation District
- **Project:** Conserving 33,000 acre-feet of groundwater in the rapidly declining Odessa Aquifer each year through implementing on-farm irrigation systems that replace groundwater irrigation with Columbia River surface water.

## Project locations



## Accomplishments



With assistance from Palouse River RCCP partners, farmers have started using soil-friendly conservation tillage on 80 square miles of land — that's an area almost the size of Seattle!

## Testimonial



"I signed up for the reduced minimum tillage program to basically try to establish into a more no-till program for future years to maintain soil and organic matter. Working with the partners was easy... I'm hoping to see benefits like higher organic matter, which then may allow water to absorb into the ground and not run off, and to build up that long-term organic matter to hopefully see increased yields."

- Ryan Kile, Whitman County farmer

Commenting on his experience with the Palouse-Rock Lake Conservation District as part of the Palouse River Watershed RCCP.



## CONTACTS

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# Regional Conservation Partnership Program

Natural Resources Conservation Service



*USDA's Natural Resources Conservation Service offers voluntary Farm Bill programs that benefit both agricultural producers and the environment.*

## Overview

The Regional Conservation Partnership Program (RCPP) promotes coordination of NRCS conservation activities with partners that offer value-added contributions to expand our collective ability to address on-farm, watershed, and regional natural resource concerns. Through RCPP, NRCS seeks to co-invest with partners to implement projects that demonstrate innovative solutions to conservation challenges and provide measurable improvements and outcomes tied to the resource concerns they seek to address.

## Benefits

RCPP makes available a variety of NRCS conservation activities to help partners, ag producers, and private landowners address local and regional natural resource challenges.

## How It Works

Partners apply to NRCS for RCPP project awards. Once projects are selected, NRCS works with partners to set aside a certain pool of funding for an awarded project. Producers, landowners, and partners then enter into producer contracts and supplemental agreements with NRCS to carry out agreed-to conservation activities.

## Who is Eligible?

Only eligible organizations interested in partnering with NRCS on conservation projects can develop applications for the RCPP competition. The lead partner for an RCPP

project is the entity that submits an application, and if selected for an award is ultimately responsible for collaborating with NRCS to successfully complete an RCPP project.

See the RCPP funding announcement for details about what types of organizations are eligible to apply.

RCPP projects must be carried out on agricultural or nonindustrial private forest land or associated land on which NRCS determines an eligible activity would help achieve conservation benefits.

## Conservation Activities

RCPP projects may include any combination of authorized, on-the-ground conservation activities implemented by farmers, ranchers, and forest landowners. These activities include:

- Land management/land improvement/restoration practices
- Land rentals
- Entity-held easements
- United States-held easements
- Public works/watersheds.

## How to Apply

Interested partners must apply through the RCPP portal ([nrcs.my.salesforce.com](https://nrcs.my.salesforce.com)). Applications are being accepted through December 3, 2019.

Once RCPP projects are selected, producers and landowners can apply to participate in projects that cover their geographic area. Interested producers should visit their local USDA Service Center to see if their land is included in the scope of any existing RCPP projects.

## What's New in the 2018 Farm Bill

RCPP is now a standalone program with its own funding—\$300 million annually.

NRCS may award up to 15 Alternative Funding Arrangement projects, which are more grant-like and rely more on partner capacity to implement conservation activities.

RCPP now has two funding pools-- Critical Conservation Areas and a State/Multistate pool.

RCPP partners must develop and report on environmental outcomes.

## More Information

For more information, visit [nrcs.usda.gov/farmbill](https://nrcs.usda.gov/farmbill) or [farmers.gov](https://farmers.gov).

Find your local USDA Service Center at [farmers.gov/service-locator](https://farmers.gov/service-locator).

## Natural Resources Conservation Service





# REGIONAL CONSERVATION PARTNERSHIP PROGRAM

PALOUSE RIVER WATERSHED

## Program Success and Outcomes

The overall success for the program can be attributed to our hard working landowners, dedicated staff, and outreach efforts. Over the past 5 years, the program has increased awareness of conservation, implemented best management practices, and decreased impacts to natural resources.



**77,265 acres of conservation tillage**



**354 acres of riparian buffers**



**966 acres of conservation easements**



**165,787 tons of soil saved**



**14 Farmed Smart certified producers**

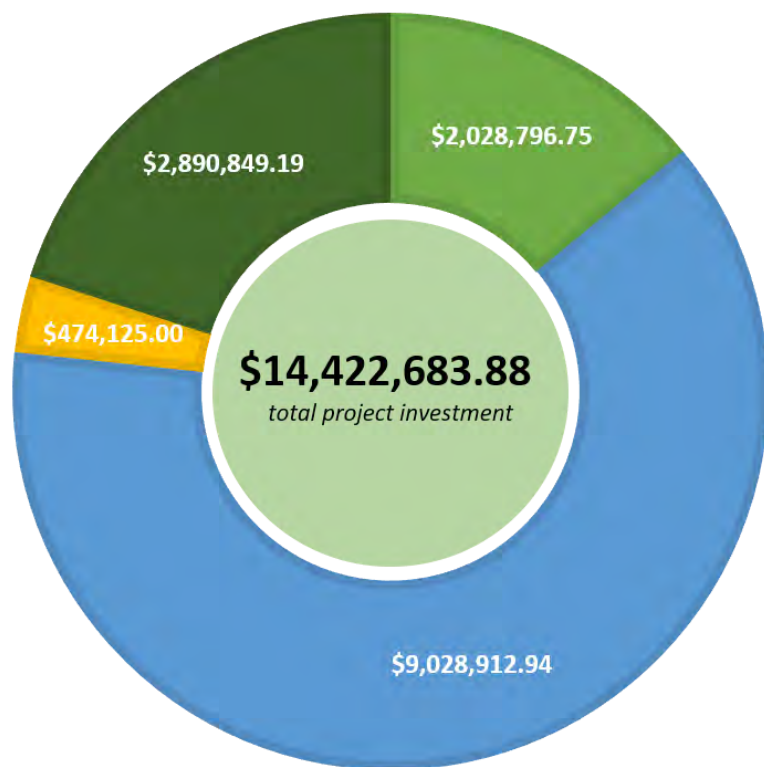


Photo courtesy of Palouse CD

2019 RCPP Tour at the airport wetland mitigation site, discussing BMP practices and future plans

### TOTAL FUNDING FOR WRIA 34 RCPP

■ Partner TA ■ Significant Contribution ■ NRCS TA ■ NRCS FA



# Partnership Highlights

- Implemented riparian buffer incentive program to increase landowner involvement for a one-time signing incentive payment, yearly soil rental rates on the riparian ground, and yearly maintenance money.

## **Partners met and exceeded the riparian buffer deliverables.**

- The Commodity Buffer Program, developed by the Spokane CD, supports the installation of buffers by paying producers the same price/acre they would receive from crop production to plant filter strips or forest buffers.
- Developed a paired watershed study in Kamiache and Thorn Creek watersheds near St. John, WA to examine the effects of tillage practices on sediment and nutrient loading. Preliminary results indicate that on average 4x more sediment was being delivered at the outlet of the conventionally tilled watershed (Thorn Creek) when compared to conservation tillage (Kamiache Creek). Nitrate concentrations were on average 3x greater at the outlet of the conventionally tilled watershed.



*Photo courtesy of Palouse CD*

Partner staff worked together to provide technical assistance and discuss potential program funding to meet landowner goals.

### **PROJECT PARTNERS**

#### **Conservation Districts**

Palouse (lead entity), Whitman, Rock Lake, Pine Creek, Adams, Lincoln County, Spokane, Latah Soil & Water

#### **State & Federal Agencies**

National Resource Conservation Service, WA State Conservation Commission, WA Department of Ecology, WA Fish & Wildlife, ID Fish & Game

#### **Nez Perce Tribe**

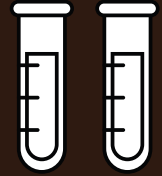
#### **Universities**

University of Idaho, Washington State University

#### **Non-Profit Organizations**

Palouse Clearwater Environmental Institute, Palouse Land Trust, Pacific Northwest Direct Seed Association

## **Additional Project Outcomes**



**16,134 acres of applied nutrient management**



**107.4 acres of cover crops**



**5,530 feet of streambank stabilization**



**52 acres of Palouse prairie remnants maintained**



**74 acres of riparian buffer maintained**



# Regional Conservation Partnership Program

## Washington State Projects



### 2016

#### Greater Spokane River Watershed Implementation

Lead Partner: Spokane Conservation District

Significant sources of sediments and nutrients are carried to the Spokane River watershed by its larger tributaries, and low dissolved oxygen levels and algae blooms threaten aquatic life in the Spokane River, Lake Spokane and Coeur d'Alene Lake. Reducing nutrients is key to resolving water quality degradation throughout the Greater Spokane River Bi-State Watershed. TMDL and lake management implementation plans stress the need to address agriculture and forestry within these watersheds. This project supports regional momentum towards adoption of conservation tillage operations and best management practices. Tens of thousands of agricultural and forestry acres, including a tribal farm, will benefit through voluntary NRCS programs.

#### WRIA 1 Salmon Recovery & Water Quality

Lead Partner: Whatcom Conservation District

The Nooksack watershed is in the top three percent of agricultural producing counties in the nation and has threatened or salmon species and imperiled shellfish harvest areas. Partners have recruited twenty-two landowners ready to implement priority projects remedying inadequate habitat for fish and wildlife in the Nooksack River watershed in North Puget Sound, Washington State. Partners will work with producers to: replace culverts on farm access roads, restoring fish passages in agricultural and rural areas; work with Tribes to construct instream wooden structures to provide habitat for salmon; and integrate and publicize NRCS programs into the rural, agricultural and Tribal communities. The result will be higher priority and more strategic projects to recover salmon and improve water quality in downstream commercial, ceremonial and subsistence shellfish beds operated by the Lummi Nation.

### 2017

#### Puyallup Watershed Partnership

Lead Partner: Pierce Conservation District

Through the Puyallup Watershed Partnership, the Pierce Conservation District and ten diverse partners will assist landowners with permanent conservation easements and implement restoration activities through Environmental Quality Incentives Program funding assistance. The Puyallup in Washington contains the only remaining prime soils in Pierce County, is home to one of the most urban tribal reservations, and provides essential habitat for Endangered Species Act listed species of coho and Chinook salmon, steelhead, and bull trout. Since 2002, Pierce County has lost almost 10,000 acres of farmland, nearly five times the state average, due to rapidly encroaching development from the Seattle/Tacoma metropolitan area. That loss not only impacts farmers and food security but also diminishes the ecosystem benefits that farmland provides to water and soil quality.

#### Yakima Integrated Plan - Toppenish to Teanaway

Lead Partner: Confederated Tribes and Bands of the Yakama Nation

The Yakima Integrated Plan will accelerate the recovery of threatened Middle Columbia steelhead by targeting high priority watersheds which currently produce more than 50% of the wild steelhead run in the Yakima River Basin. These actions will also increase water supply and water quality for environmental, economic and cultural purposes. This project will fund actions supported by diverse partners to enact holistic, innovative solutions to natural resource conservation issues. These actions will restore fish habitat in over 50 miles of channels across 2,500 acres; restore riparian vegetation on over 10 miles of stream banks; enhance fish access to over 480 acres of aquatic habitat; increase water retention in 2,000 acres of ephemeral channels; and improve grazing management across 3,500 floodplain acres and 34,000 upland grazing acres. In addition, the project will target over 30,000 acres for irrigation efficiency enhancements, over 25,000 acres for Conservation Stewardship practices and protect 500 acres of floodplain farmland through easements. Monitoring of these actions will occur through existing programs. The project stems from extensive collaborative efforts in recent years by Yakima Basin Integrated Plan Workgroup, which represents over 20 stakeholders from environmental, agricultural, and tribal interests working to restore habitat and conserve water resources in the Yakima Basin.



Washington  
Natural  
Resources  
Conservation  
Service



## 2017 *(cont.)*

### Southwest Washington Nonindustrial Private Forest Conservation Partnership

*Lead Partner: Washington Department of Fish and Wildlife*

Non-industrial private forest lands in southwest Washington are important to the regional and state economies. In addition to timber harvest, these working forests provide many functions including: fish and wildlife habitat, protection of water quality, flood reduction, recreational opportunities and carbon sequestration to help combat climate change. The project area includes Grays Harbor, Mason, Thurston, Lewis Pacific, Wahkiakum, Cowlitz and Clark Counties. Washington Department of Natural Resources and conservation districts will conduct outreach and education activities and provide technical assistance to NIPF owners to develop and implement stewardship plans with funding from the Environmental Quality Incentives Program and Conservation Stewardship Program. Washington State Conservation Commission will distribute NRCS technical assistance funding to the conservation districts.

## 2018

### Whatcom County Working Lands Conserving Watersheds

*Lead Partner: Whatcom County*

Whatcom County Working Lands Conserving Watersheds aims to protect working lands within identified priority watersheds in Whatcom County to help to stabilize the critical land base needed to maintain a long-term commercially significant agriculture industry. Many parcels within the priority watersheds are at risk of being developed to the degree where neither agriculture nor full ecosystem function can occur. Working Lands Conserving Watersheds will provide Whatcom County landowners financial incentives needed to keep their lands in production and will require actions are taken to address identified resource concerns.

## 2019

### Poop Smart Clark

*Lead Partner: Clark Conservation District*

Cradled in the bend of the Columbia River, Clark County is a county of contradictions: tidy small farms, exploding development, scenic recreational areas - and polluted waters. Clark CD has worked tirelessly to improve water quality and now, through a new partnership, proposes to target resource concerns in a fresh way. The Poop Smart Clark RCPP is a Pollution Identification and Correction (PIC) program that utilizes expertise from local agencies and nonprofits to reduce sediment, nutrient, and bacteria runoff in Clark County. Through pollution source identification, targeted outreach, education, and implementation of on-the-ground practices, Poop Smart Clark connects landowners with the tools they need to correct pollution, drive social change and spur adoption of better management practices.

### Palouse River Implementation Partnership WRIA 34

*Lead Partner: Palouse Conservation District*

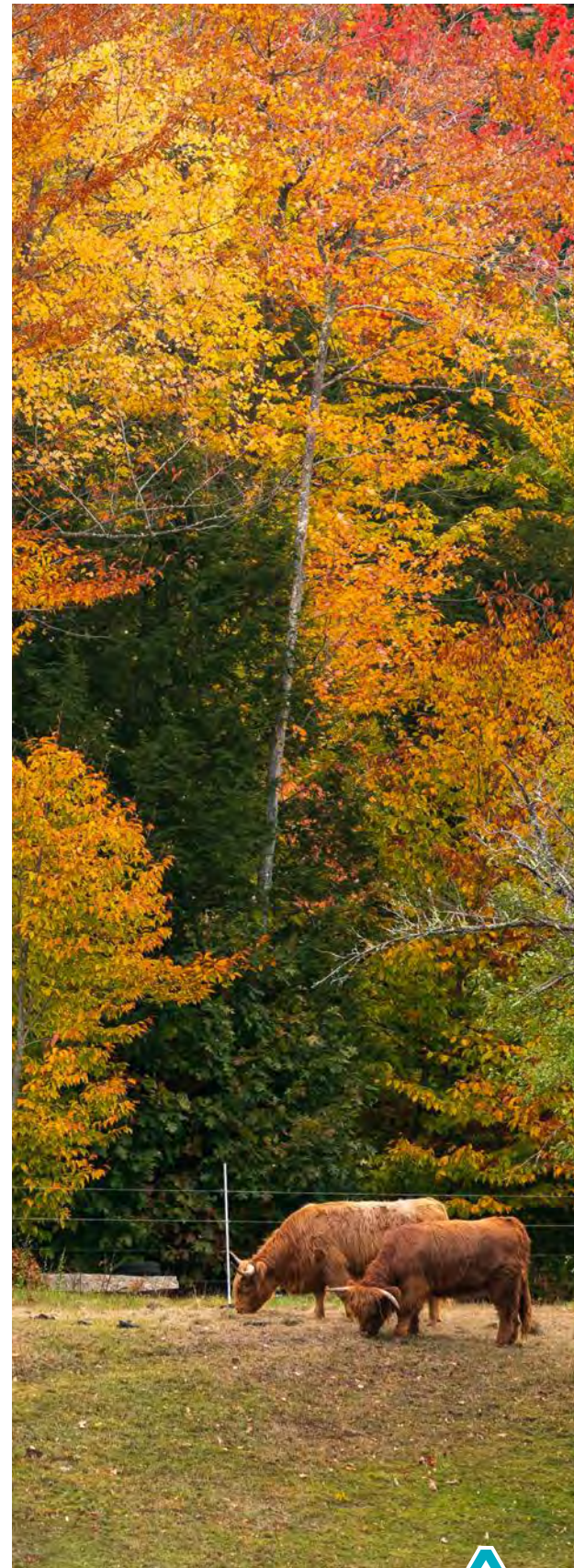
The Palouse River Watershed spans over five counties in Washington and Idaho and encompasses both fertile agriculture land and critical habitat for fish and wildlife. The goals of the Palouse River Watershed RCPP are to implement best management practices that address resource concerns associated with water quality, soil health, and at-risk wildlife habitat within the Palouse Watershed. The Palouse RCPP will continue to meet deliverables under the same scope of geographic area and natural resource concerns.

## 2020-21

### 2243 WRIA 1 Salmon Recovery and Water Quality

*Lead Partner: Whatcom Conservation District*

Salmon and Orca recovery is the most critical conservation challenge in the Pacific Northwest. ESA listed species are critical to the economy of the region and to the culture, subsistence, and economic wellbeing of Native American Tribes. The Nooksack River is the northern most river in the Puget Sound Basin of Washington State. The upper watershed is largely intact and some of the most productive farmland in the world is found in the lower watershed.





## 2020 - 2021 *(cont.)*

### 2382 Nooksack Watershed Restoration

*Lead Partner: Lummi Nation*

The goal of the Nooksack Watershed Restoration Project is to address the natural resource concerns of inadequate aquatic habitat for fish and water quality degradation. The project will restore fluvial processes to improve ESA-listed salmonid spawning, rearing and holding habitat while increasing low flow and thermal refugia. Project objectives focus on root causes of habitat degradation, namely the lack of large, stable log jams that maintain habitat-forming processes. The project addresses habitat limiting factors identified in the WRIA 1 Salmonid Recovery Plan (lack of key habitats, low habitat diversity, high water temperature, high channel instability, and elevated fine sediment). This project consists of five restoration projects split between two tribal partners - Lummi Natural Resources and Nooksack Natural Resources - working to recover two native chinook salmon populations essential to the recovery of ESA-listed Puget Sound chinook. Project objectives focus on the root causes of inadequate aquatic habitat for fish and water quality degradation, namely the lack of large, stable log jams that maintain habitat-forming processes. We will install 92 engineered logjams (ELJs), 55 feet of flood fencing, remove or lower 1,850 linear feet of riprap levee, and plant 38.05 acres of riparian trees. 1. Increase key habitat quality and diversity by creating pools with engineered logjams (ELJs). 2. Increase length of secondary channels (near-term) and side channels (longer-term). 3. Increase the availability of cold-water refuges (areas over 2C cooler than ambient). 4. Increase rearing habitat by re-connecting, creating and/or enhancing wetland and/ or floodplain habitat. 5. Improve riparian forest conditions in and within 300 feet of the Historic Migration Zone.

### 2344 Fuel Break & forest Resilience Partnership

*Lead Partner: Cascadia Conservation District*

The goal of this project is to improve and reduce risk to habitat in Eastern Washington's Wenatchee Subbasin. The project will address priority resource concerns for the state including inadequate habitat for fish and wildlife, water quality degradation, and drought conditions. Through partner collaboration and implementing conservation practices in strategic locations, fish and wildlife habitat will become more resilient to wildfire, pest damage, drought and disease. Cascadia will be project lead and partner with NRCS, state, local, and regional partners, to use RCPP flexibilities and innovative measures to incentivize landowner participation and increase environmental outcomes. The Wenatchee Valley is home to critical habitat for several endangered and sensitive species (ESA), as well as a thriving agricultural economy. Over 100 years of fire exclusion, past forest management, and development has resulted in an unhealthy forest landscape.

### 2326 Middle Columbia Steelhead Partnership

*Lead Partner: Yakama Nation*

This proposal addresses critical needs for integrated conservation and restoration of watersheds. The primary resource concerns are degradation of habitat, water quality and water quantity. This proposal will accelerate the recovery of Steelhead within the reservation and ceded lands of the Yakama Nation, including the Yakima, Klickitat, Rock and White Salmon River basins within the ESA designated Middle Columbia Steelhead ESU. These actions will also benefit multiple other aquatic and riparian species, including coho, chinook sockeye, Pacific lamprey, and important cultural plant species.



# Regional Conservation Partnership Program (RCPP) Match

## Connections to Puget Sound Partnership Action Agenda

Each RCPP is a locally built partnership of federal, state, and local organizations and entities to target and focus all available resources towards addressing priority natural resource concerns in a defined geographic area. While this current funding request does not include match funding needed for an ongoing RCPP within the Puget Sound region, we cannot anticipate what new RCPPs will come forward within the region over the course of the 23-25 biennium. Two RCPP's are currently ongoing in the Puget Sound region with SCC match funding as a portion of their overall budgets: Puyallup and Nisqually Watersheds Partnership, and Southwest Washington Small Forest Lands Conservation Partnership. The connections noted below are focused on these two ongoing RCPP's work.

Puyallup & Nisqually Watersheds Partnership is working to conserve over 1,000 acres of prime farmland and assist landowners with restoration activities that enhance salmon habitat and preserve the economic and ecosystem benefits that farmland provides.

Southwest Washington Small Forest Lands Conservation Partnership is assisting small forest landowners with development and implementation of forest stewardship plans that improve habitat, protect water quality, improve forest resiliency, and keep working forests working.

## 2022-2026 Action Agenda Alignment

### ○ Strategy 2: Working Lands

- Action: Reduce pressure for land conversion by supporting the long-term viability and sustainability of agricultural lands, including large and small parcel, hobby and working farms, and working forests through resilience and integrated management planning, improved incentives, and improved land use regulations.
  - Key Opportunity: Expand incentives and technical assistance for agricultural lands and owners of working forests
  - Key Opportunity: Streamline and increase funds disbursement to support Best Management Practices (BMPs)
- Action: Support the expansion of market mechanisms to increase long-term viability and reduce conversion pressure for working lands. (ID #194)
  - Key Opportunity: Expand transfer of development rights and easements

Also included in implementation considerations for this strategy to integrate human wellbeing:

- Develop engagement strategies that educate and provide technical and financial assistance to support working lands and local food production.
- Promote working lands BMPs that also sequester carbon and increase resilience.

Ongoing Programs Contributing to:

- Farmland Presentation (WSSC)

Contributes towards the Land Development and Cover Implementation Strategy

- Support long-term viability of agricultural lands and working forests

### ○ Strategy 4: Riparian Areas

- Key Opportunity: Fund and implement technical assistance and outreach programs with riparian landowners to assist in the implementation of BMPs that will protect, restore, and enhance riparian habitat;

### ○ Strategy 12: Working Lands Runoff

- Action: Facilitate the increased use or performance of best management practices to reduce pollutants and the volume of runoff from agricultural lands and working forests. (ID #5)
  - Key Opportunity: Ensure adequate funding and support for voluntary incentive-based programs.

- Action: Implement agricultural management practices proven to reduce nutrient loads. (ID #6)
  - Key Opportunity: Identify opportunities and priorities for technical assistance, implementing BMPs, and funding.
- Action: Expand and improve incentives and education for agricultural land users to motivate voluntary actions for reducing fecal pollution. (ID #7)
  - Key Opportunities
    - Adequately fund the work of voluntary and incentive-based programs;
    - Develop targeted outreach and engagement approaches to encourage land users to implement BMPs;
    - Support the implementation and monitoring of BMPs.
- Action: Facilitate the increased use or performance of best management practices, including increasing riparian restoration, to reduce stream temperatures. (ID #196)
  - Key Opportunities
    - Increase shade and amount of vegetation;
    - Remove invasive species;

Ongoing Programs Contributing to:

- Puget Sound Conservation Districts (WSSC)

### Connections to Salmon Recovery Strategy Recommended Actions (statewide RCPPs)

- 1. Protect and restore vital salmon habitat.
  - Each RCPP works with agricultural producers and working forestland owners to implement BMPs to reduce and prevent runoff (sediment, chemicals, and nutrients) to improve water quality as well as achieve greater irrigation efficiencies to protect and enhance water quality for salmon and other threatened fish species. Protecting and restoring riparian buffers is also important work incorporated into RCPPs.
- 2. Invest in clean water infrastructure for salmon and people.
  - Each RCPP works to reduce nonpoint pollution from potential nutrient sources such as livestock.
  - *Implement nonpoint source “best management practices,” and nonpoint action plans.*
- 3. Correct fish passage barriers and restore salmon access to historical habitat.
  - Fish passage barrier corrections on private lands are commonly included as a component of the planned work under RCPPs.
- 7. Enhance commitments and coordination across agencies and programs.
  - The nature of RCPP is that it requires increased collaboration, coordination, and focusing of collective resources to put more conservation on the ground.
  - *Expand the collaborative, engagement processes with public and private sectors and interest groups that impact and influence salmon recovery (e.g., Columbia Basin Partnership, Yakima Basin Integrated Plan; Flooding, Farms and Fish; business and tech companies, etc.).*
  - *Expand collaborative engagement with local and state governments to coordinate salmon recovery actions, improve partnerships and enhance operational capacity to implement recovery programs.*
- 8. Strengthen science, monitoring, and accountability.
  - RCPP’s are required to include an environmental monitoring component of their scope of work. Palouse Conservation District’s RCPP is an excellent example of how RCPP can be utilized to strengthen monitoring.

### Connections to Orca Task Force Recommendations (statewide RCPPs)

All RCPPs work in a voluntary manner to implement BMPs with private landowners with varying natural resource concern focuses dependent on the geographic area such as protecting and restoring habitat for salmonids and upland wildlife and protecting and improving water quality from potential nonpoint sources of pollution. RCPP connections to actions recommended by the Orca Task Force include:

- 5. Develop incentives to encourage voluntary actions to protect habitat.
- 40. Better align existing nonpoint programs with nutrient reduction activities and explore new ways to achieve the necessary nonpoint source nutrient reductions



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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 12:59PM

Project Number: 40000023

Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP)

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 7

### Project Summary

To recover salmon — including Chinook, which are the primary prey of our endangered orca — Washington must restore more salmon habitat. This request provides matching funds for program management and project implementation to continue the federal Conservation Reserve Enhancement Program (CREP), a program that engages private landowners as partners in restoring salmon habitat, primarily by planting trees and vegetation along salmon-bearing streams (riparian buffers). In its 20+ years, CREP has demonstrated measurable natural resource improvement across the state, such as cooler water, improved water quality, and increased spawning ground. CREP is critical to our state's strategy for endangered salmon and orca recovery and is related to Puget Sound Action Agenda Implementation. It's also cost-effective. State match represents 20% of program funding, which brings in the remaining 80% of program funding from federal dollars. This investment not only improves watershed health, it stimulates local economies and private-sector employment.

### Project Description

What is the problem, opportunity, or priority you are addressing with the request?

The situation for Southern Resident Killer Whales (SRKW or orcas) and Chinook and other salmonids is dire. There's a renewed call for urgency to implement solutions.

According to the Governor's Salmon Recovery Office, much of Washington State has ESA-listed salmonid species in its streams. Nearly all of our basins have streams with 303(d) listings, which means they have failed to meet water quality standards (ECY 2004). Tension is rising in areas such as Skagit Valley, where there has been insufficient progress to reduce water temperatures that are dangerously warm for salmon.

In addition, a recent decision in U.S. v Washington establishes a state requirement to address tribal treaty rights and, as such, has an obligation to protect existing and restore degraded salmon habitat. Recent federal court decision indicate the state could be exposed to legal challenges if it does not sufficiently improve habitat to increase salmon survival.

At the 2019 Centennial Accord in November 2019, Governor Inslee pledged that state agencies would coordinate efforts with Tribal partners to improve riparian habitat to protect and restore salmon populations. Subsequently, the Governor's Office formed a Joint State-Tribal Policy Riparian Workgroup to discuss concerns and develop agreed-upon solutions to expedite riparian restoration to benefit salmon and protect and honor treaty rights. The COVID-19 pandemic postponed this State-Tribal collaboration; however, due to the urgent need for improved riparian habitat for salmon survival, the workgroup began reconvening in August 2020.

Degraded riparian habitat is a key limiting factor of healthy, robust salmon populations. One of the best strategies to support

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## Description

existing salmon populations and allow them to increase is to protect and expand quality riparian habitat in salmon-bearing streams of the Puget Sound and Columbia River. Because orcas rely on Chinook salmon, increasing habitat for salmon populations is also one of the top recommendations of the SRKW Task Force.

The Conservation Reserve Enhancement Program is a voluntary program administered at the federal level by the Farm Service Agency (FSA) and at the state level by the State Conservation Commission (SCC) to improve habitat for ESA-listed salmon in Washington. It offers incentives to farmers to plant native vegetation along salmon-bearing streams, rather than crops. Vegetation forms a buffer between agricultural land and salmon streams, keeping water clean and cool. This also makes CREP an important tool for water quality improvements in our state and compliance with the Clean Water Act.

Despite measurable improvements for salmon in watersheds with high levels of CREP participation, state funding for CREP has not been sufficient to maximize its potential and restore the level of habitat salmon need in streams adjacent to agricultural land in the Puget Sound and Columbia River.

After planting a riparian buffer, it takes about five years in western Washington and 10 years in eastern Washington to yield measurable biological success. It is imperative to install more CREP plantings now to expedite the creation of more quality riparian habitat for salmon. With the agricultural sector being hit hard by COVID-19 and subsequent economic downturn, CREP is a means to support producers since it provides reliable monetary compensation for the creation of these riparian buffers.

The SCC has submitted decision packages for CREP over many biennia but has not received the full amount requested. This reduces the amount of federal dollars coming to Washington that provide payments to farmers to, in effect, grow trees in lieu of crops in riparian areas.

What is your proposal?

Funding in this proposal will continue support for on-the-ground implementation of CREP's proven-effective best management practices (BMPs) for salmon, such as planting riparian buffers, and help secure ongoing federal investment in Washington's salmon recovery efforts.

CREP is the greatest tool that we have to restore salmon habitat on private lands. Since its inception in 1999, CREP has enabled landowners to enhance salmon habitat along over 925 miles of stream — that's the distance from Seattle to the Grand Canyon. The program restores sensitive riparian areas while compensating farmers for lost production and allows them to be part of the solution for salmon recovery. Conservation districts and FSA partner with willing farmers and plant native trees and shrubs along the riparian area of streams on privately owned farmland, while removing livestock and

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## Description

agricultural activities this buffer. Riparian buffers are preserved under 10-15 year renewable federal contracts through FSA, which pays farmers rent for the acreage they plant. In the past decade, CREP has become the largest riparian restoration program in the state with nearly six million trees planted on over 1,386 agricultural sites predominantly located in our largest, most important watersheds in the state.

Once established, the riparian buffers planted through CREP offer numerous benefits:

- Shade cast from tree canopy cools water temperatures.
- Leaf litter and plants provide nutrients and promote insect production that contribute to the food web.
- Trees that fall into streams provide habitat and help shape streams to a more natural condition.
- They function as a natural “water treatment plant” that improves water quality for human uses, such as drinking water, recreational use, and shellfish harvesting.
- Native trees and shrubs sequester carbon, which contributes to climate change resiliency.

The CREP model encourages private partners to go above-and-beyond program requirements. The average CREP buffer width is 140 feet, even though the FSA minimum buffer width for CREP is 50 feet. Conservation districts use this 50-foot buffer as a conversation starter. More often than not, once the landowner sees the benefits of a wider buffer — whether it is the financial incentive or the opportunity to have a greater area of desirable fish and wildlife habitat installed and maintained (or both) — there is a willingness to go well beyond that 50-foot minimum.

CREP is good for fish, and it’s good for our economy:

- It aids the state budget by infusing an 80% match of federal funds into Washington’s economy.

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- There is almost no maximum to the amount of federal funding that can be brought to Washington to plant these riparian buffers that improve salmon habitat and water quality while providing financial incentives to farmers. The limiting factor is the amount of state match that can be used to leverage federal funding which depends on sufficient state funds for technical staff to plan, develop and implement projects.
- Landowners are paid rent for the acreage of land they restore for salmon, providing a reliable income source — something many farmers appreciate.
- CREP provides private-sector jobs for people who grow plants and prepare and maintain the land that is planted with the buffers.
- Improvements in salmonid populations also increase the economic value of their fisheries.

The environmental and economic benefits summarized above depend on funding from this request. Funding will meet Washington State obligations for program and project management, implementation and maintenance of CREP riparian plantings in association with the USDA Farm Services Agency.

Funding supports the on-the-ground expertise and management needed for successful, site-specific riparian plantings. CREP requires a working partnership between the SCC, conservation districts, local FSA offices, and the farmers who want to enroll in the program. Considerations of watershed effects, soil type, and landowner goals must be factored in on a site-by-site basis, and it takes a great deal of planning and careful communication with each landowner and planting contractor to ensure success, which is why project management is so crucial to ensuring success.

How is your proposal impacting equity in the state?

- CREP benefits small and medium income farmers and landowners throughout Washington State where salmon are found.
- Survival of salmon is culturally important for tribes.
- CREP is not eligible for participants with adjusted gross incomes greater than \$90,000 annually or those that receive more than \$50,000 in cost share from the Commission. This distributes cost share to those in greater need of assistance.

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What are you purchasing and how does it solve the problem?

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- It aids the state budget by infusing an 80% match of federal funds into Washington's economy.
- There is almost no maximum to the amount of federal funding that can be brought to Washington to plant these riparian buffers that improve salmon habitat and water quality while providing financial incentives to farmers. The limiting factor is the amount of state match that can be used to leverage federal funding.
- Landowners are paid rent for the acreage of land they restore for salmon, providing a reliable income source — something many farmers appreciate.
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- Improvements in salmonid populations also increase the economic value of their fisheries.

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Funding supports the on-the-ground expertise and management needed for successful, site-specific riparian plantings. CREP requires a working partnership between the SCC, conservation districts, local FSA offices, and the farmers who want to enroll in the program. Considerations of watershed effects, soil type, and landowner goals must be factored in on a site-by-site basis, and it takes a great deal of planning and careful communication with each landowner and planting contractor to ensure success, which is why project management is so crucial to ensuring success.

### Alternatives Explored

CREP requires state match to secure federal funding. Without sufficient state funding, the program will end. Conservation districts would be unable to continue managing ongoing CREP projects or enroll new farmers into the program. The partnership with FSA would dissolve.

The cessation of CREP would:

- End most of the recovery actions for riparian conditions on agricultural lands and slow progress towards salmon and orca recovery.
- End the infusion of several millions of federal dollars into our state each biennium. This would negatively impact the economy and reduce employment, cutting at least 116 private-sector jobs per year.
- End restoration actions that are important for compliance with the Clean Water Act and that contribute to the goals of the Puget Sound Action Agenda.
- Reduce future water quality and salmon habitat improvements, with negative impacts to tribes that rely on salmon and shellfish for traditional food. Failure to fund this ongoing effort will put the state at increased risk of a legal challenge by Washington's treaty tribes

### Assumptions and calculations

CREP funding through the SCC provides a 20% programmatic match to the 80% federal funding through FSA. Specifically,

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## Description

the SCC pays for 10% of the cost-share to the landowner to install the riparian buffer. SCC funding also covers the cost of project management by conservation district staff to develop relationships with interested farmers and help them navigate the process with FSA, conduct site assessments, design the conservation plan, coordinate planting of the trees and shrubs, and maintain the buffer for five years. FSA covers 90% of installation cost, signing incentive payments, all rental payments to the farmers, and the contracting costs between the farmer and FSA. Looking holistically at the combined state and federal funding, the project management funding provided through the SCC for conservation districts to manage CREP projects is relatively minor.

Strategic and performance outcomes

Strategic framework

The Governor's Results Washington indicators addressed by this funding proposal include:

- 3.2.c Increase number of CREP sites to improve water temperature and habitat from 1,094 to 1,178 by 2020.

This proposal relates to the following SCC strategic areas:

- Resource Conditions: demonstrate that voluntary conservation programs and services lead to natural resource improvements.
- Statewide Program Delivery: Program will meet local and state resource priorities.
- Sustainable Funding: SCC and districts will have secure funding that allows us to retain talented staff and confidently launch long-term, strategic work plans.
- Partnering: SCC is a "go-to" partner with FSA and NRCS that unites natural resources and agricultural stakeholders and implements collaborative, effective conservation solutions.
- Technical Capacity: Conservation districts have premier technical capability and capacity to create and implement conservation systems and programs.

Performance outcomes

In the coming biennium, we anticipate that CREP will provide the following:

- 1) 30-75 new CREP contracts with landowners
- 2) 50-100 miles of newly planted riparian forest buffer on private agricultural lands
- 3) Continued maintenance of 100-150 projects planted during the past five years
- 4) Re-enrollment of approximately 50-100 contracts reaching the end of their current agreement
- 5) 180 jobs created for just the State contribution for CREP
- 6) \$30 million matching Federal funds spent in Washington State

Other collateral connections

CREP is strongly supported by the agricultural community, environmental groups, tribes, and other natural resource agencies, both federal and state. The Voluntary Stewardship Program (VSP), also administered through the SCC, relies on other conservation programs like CREP for leveraged implementation of practices on private farmlands to provide critical area functions and values that comply with the state's Growth Management Act.

Puget Sound Action Agenda:

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Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP)

**Description**

The protection and recovery of riparian habitat, including salmon habitat, is one of two Strategic Initiatives in the 2022-2016 Puget Sound Action Agenda. This funding proposal will directly support and implement these strategic initiatives with on-the-ground implementation of projects that address negative impacts to salmon habitat. This funding request is listed as an existing program that supports the following Ecosystem Strategies, and associated Opportunities and Implementation Considerations found in the 2022-2016 Action Agenda:

• Strategy 4 – Riparian Areas

Key Opportunities –

· Enhance funding for and capacity of riparian area landowners, tribal governments, local governments, and nongovernmental organizations (for example, Conservation Corps) to acquire, restore, and manage riparian properties;

Opportunities:

· Fund and implement technical assistance and outreach programs with riparian landowners to assist in the implementation of BMPs that will protect, restore, and enhance riparian habitat;

Implementation Considerations, Human Wellbeing

· Improve residents’ knowledge of and access to riparian areas to foster a sense of place and increase political will for protecting and restoring these areas.

· Connect riparian area protection and restoration to benefits for both landowners and communities.

· Increase resources and capacities of local agencies to protect and restore riparian areas.

Climate Change

· Promote riparian protection and restoration actions that also increase carbon sequestration.

• Strategy 12 – Working Lands Runoff

Key Opportunities

· Ensure adequate funding and support for voluntary incentive-based programs.

· Identify opportunities and priorities for technical assistance, implementing BMPs, and funding.

· Increase shade and amount of vegetation;

Implementation Considerations, Human Wellbeing

· Engage communities, specifically vulnerable populations and underserved communities, to identify best approaches to reduce and prevent non-point source pollutants.

Climate Change

· Promote working lands BMPs that also sequester carbon and increase resilience.

**Location**

City: Statewide

County: Statewide

Legislative District: 098

**Project Type**

Grants

Grant Recipient Organization: Conservatin Districts

RCW that establishes grant: 89.08

Application process used

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**Growth Management impacts**

N/A

**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reapprops	New Approps



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Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP)

**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	38,625,000				7,725,000
	<b>Total</b>	<b>38,625,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,725,000</b>

		Future Fiscal Periods			
		2025-27	2027-29	2029-31	2031-33
057-1	State Bldg Constr-State	7,725,000	7,725,000	7,725,000	7,725,000
	<b>Total</b>	<b>7,725,000</b>	<b>7,725,000</b>	<b>7,725,000</b>	<b>7,725,000</b>

**Operating Impacts**

No Operating Impact

## Capital Project Request

2023-25 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000023	40000023
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 1:01PM

Project Number: 40000027

Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP) PIP

**Description**

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 8

**Project Summary**

This request is to provide agency spending authority only for revolving loan funds administered to private landowners in conjunction with the Conservation Reserve Enhancement Program (CREP). There is an urgent need for more riparian buffers in salmon-bearing streams to provide better salmonid habitat, cool water temperatures, and improve water quality.. In its 20+ years of implementation, the Conservation Reserve Enhancement Program (CREP) has demonstrated measureable natural resource improvement across the state. CREP is also a critical component in our state's strategy to address endangered salmon and orca recovery and is related to Puget Sound Action Agenda Implementation. The CREP program has been highly successful and cost effective. Due to its ability to bring 80% federal funding into the state, it is a wise method to not only improve watershed health, but also stimulate local economies and private-sector employment.

**Project Description**

What is the problem, opportunity, or priority you are addressing with the request?

The Conservation Reserve Enhancement Program is a voluntary program administered at the federal level by the Farm Service Agency (FSA) and at the state level by the State Conservation Commission (SCC) to improve habitat for ESA-listed salmon in Washington. CREP pays farmers rent for acreage that they plant with native vegetation along salmon-bearing streams, rather than crops. Vegetation forms a buffer between agricultural land and salmon streams, keeping water clean and cool. This also makes CREP an important tool for water quality improvements in our state and compliance with the Clean Water Act.

Since its inception in 1999, CREP has demonstrated measureable natural resource improvement across the state, such as cooler water, improved water quality, and increased spawning ground.

Over the years, program partners identified barriers that prevented landowners from participating. One example is the financial burden landowners were carrying while they waited for project completion.

Under CREP, landowners are reimbursed for capital costs upon installation at 50% from FSA and 10% from SCC. Upon completion of all practices on the project, landowners receive a Practice Incentive Payment (PIP) from FSA in the amount of an additional 40%, thus covering all of their installation costs. As the program evolved, three factors related to the PIP became barriers to landowner participation in the program:

- The time between installation of the first practice and final completion is delayed, and landowners are left to carry the installation costs until final project completion;
- Large projects can be very expensive. Landowners incur large expenses paying contractors and must wait for re-imburement upon project completion;

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Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP) PIP

## Description

- Some low-income landowners simply couldn't afford to pay contractors their 40% share and wait for reimbursement.

How is your proposal impacting equity in the state?

- CREP benefits small and medium income farmers and landowners throughout Washington State where salmon are found.
- Survival of salmon is culturally important for tribes.
- CREP is not eligible for participants with adjusted gross incomes greater than \$90,000 annually or those that receive more than \$50,000 in cost share from the Commission. This distributes cost share to those in greater need of assistance.

What are you purchasing and how does it solve the problem?

To address participation barriers, the PIP Loan Program was developed in 2009 for CREP in Washington. Under this Program, the SCC pays the landowner the PIP when expenses are incurred and receives an assignment of payment from the landowner that directly reimburses the SCC from FSA when the project is completed. That means the landowner no longer has to wait for project cost reimbursement.

The SCC currently has sufficient funds in circulation to ensure continuation of the PIP Loan Program, but needs authority to spend those funds and incentivize new projects as current loans are re-paid.

Spending authority requested in this proposal will continue support for on-the-ground implementation of best management practices (BMPs) to create riparian buffers that improve salmon habitat by reducing water temperature, improve water quality by serving as a filter to mitigate agricultural inputs to the water, and sequester carbon. This program has supported more than 90 landowners throughout Washington since its inception with over \$700,000 in loans that may not have otherwise participated in CREP.

The success of CREP is contingent on voluntary landowner participation. Successful CREP projects yield multiple benefits for salmon and our economy.

CREP buffers function as a natural "water treatment plant" that keeps water clean and provides salmon habitat. In watersheds with high levels of CREP participation (the Tucannon River in Columbia County and Ten-mile Creek in Whatcom County), results have included cooler summer water temperatures, higher numbers of returning young and adult salmon, and more miles of accessible stream habitat.

Economic benefits include the fact that CREP aids the state budget by infusing an 80% match of federal funds into Washington's economy. On a more local level, landowners are paid rent for the acreage of land they restore for salmon, providing a reliable income source — something many farmers appreciate. CREP also provides private-sector jobs for

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Version: SC 2023-2025 Capital Budget Request

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Date Run: 9/16/2022 1:01PM

Project Number: 40000027

Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP) PIP

## Description

people who grow plants and who prepare and maintain the land that is planted with the buffers.

These and more benefits for Washington's natural resources and people depend on solutions that make CREP more participation-friendly, such as the PIP Loan Program.

### Alternatives Explored

Continuation of the PIP Loan Program depends on state funding in this request.

Without sufficient loan support, many landowners — especially those who are low income — will be unable to carry the financial burden of waiting for project cost reimbursement, which will prevent them from enrolling in CREP. Fewer landowners enrolling in CREP will severely impede progress toward salmon and orca recovery as less action is taken to restore riparian conditions on agricultural lands.

Continued barriers to CREP implementation also limits the infusion of several millions of federal dollars into our state each biennium under this program. This would have a negative economic impact and reduce private-sector employment.

Not funding the CREP PIP Loan Program also would limit restoration actions that are important for compliance with the Clean Water Act and that contribute to the goals of the Puget Sound Action Agenda. It would jeopardize future water quality and salmon habitat improvements, with negative impacts to tribes that rely on salmon and shellfish for traditional food.

Finally, failure to fund this ongoing effort will put the state at increased risk of a legal challenge by Washington's treaty tribes who depend upon salmon for commercial, subsistence and cultural purposes. The state has an obligation to provide salmon habitat to meet treaty obligations. Recent federal court decision indicate the state could be exposed to legal challenge if the state fails to address the negative habitat impacts that affect salmon survival.

### Assumptions and calculations

This request is for authority to spend existing funds in a revolving account and is not a request for new funds. Under the CREP PIP, loans are issued, then repaid through an assignment of payment to ensure continued replenishment of the revolving account. Existing CREP funding covers the cost of administering the revolving funds.

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Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP) PIP

## Description

Workforce assumptions at the SCC:

0.0 FTE

Strategic and performance outcomes

Strategic framework

The Governor's Results Washington indicators addressed by this funding proposal include:

- 3.2.c Increase number of CREP sites to improve water temperature and habitat from 1,094 to 1,178 by 2020.

This proposal relates to the following WSCC strategic areas:

- Resource Conditions: demonstrate that voluntary conservation programs and services lead to natural resource improvements.
- Statewide Program Delivery: Program will meet local and state resource priorities.
- Sustainable Funding: WSCC and districts will have secure funding that allows us to retain talented staff and confidently launch long-term, strategic work plans.
- Partnering: WSCC is a "go-to" partner with FSA and NRCS that unites natural resources and agricultural stakeholders and implements collaborative, effective conservation solutions.
- Technical Capacity: Conservation districts have premier technical capability and capacity to create and implement conservation systems and programs.

Performance outcomes

In the coming biennium, we anticipate that CREP will provide the following:

- 1) 30-75 new CREP contracts with landowners
- 2) 50-100 miles of newly planted riparian forest buffer on private agricultural lands
- 3) Continued maintenance of 100-150 projects planted during the past five years
- 4) Re-enrollment of approximately 50-100 contracts reaching the end of their current agreement
- 5) 180 jobs created for just the State contribution for CREP
- 6) \$30 million matching Federal funds spent in Washington State

Other collateral connections

CREP is strongly supported by the agricultural community, environmental groups, tribes, and other natural resource agencies, both federal and state. The Voluntary Stewardship Program operated by SCC relies on other conservation programs like CREP for leveraged implementation of practices on private farm lands to provide critical area functions and values that comply with the state's Growth Management Act.

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Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP) PIP

**Description**

Puget Sound Action Agenda:

The protection and recovery of riparian habitat, including salmon habitat, is one of two Strategic Initiatives in the 2022-2016 Puget Sound Action Agenda. This funding proposal will directly support and implement these strategic initiatives with on-the-ground implementation of projects that address negative impacts to salmon habitat. This funding request is listed as an existing program that supports the following Ecosystem Strategies, and associated Opportunities and Implementation Considerations found in the 2022-2016 Action Agenda:

- Strategy 4 – Riparian Areas

Key Opportunities –

- Enhance funding for and capacity of riparian area landowners, tribal governments, local governments, and nongovernmental organizations (for example, Conservation Corps) to acquire, restore, and manage riparian properties;

Opportunities:

- Fund and implement technical assistance and outreach programs with riparian landowners to assist in the implementation of BMPs that will protect, restore, and enhance riparian habitat;

Implementation Considerations, Human Wellbeing

- Improve residents’ knowledge of and access to riparian areas to foster a sense of place and increase political will for protecting and restoring these areas.

- Connect riparian area protection and restoration to benefits for both landowners and communities.

- Increase resources and capacities of local agencies to protect and restore riparian areas.

Climate Change

- Promote riparian protection and restoration actions that also increase carbon sequestration.

- Strategy 12 – Working Lands Runoff

Key Opportunities

- Ensure adequate funding and support for voluntary incentive-based programs.

- Identify opportunities and priorities for technical assistance, implementing BMPs, and funding.

- Increase shade and amount of vegetation;

Implementation Considerations, Human Wellbeing

- Engage communities, specifically vulnerable populations and underserved communities, to identify best approaches to reduce and prevent non-point source pollutants.

Climate Change

- Promote working lands BMPs that also sequester carbon and increase resilience.

**Location**

City: Statewide

County: Statewide

Legislative District: 098

**Project Type**

Grants

Grant Recipient Organization: Conservation Districts

RCW that establishes grant: 89.08

Application process used

\*

**Growth Management impacts**

Projects will support local GMA requirements statewide

**Funding**

Expenditures

2023-25 Fiscal Period

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Project Title: 2023-2025 Conservation Reserve Enhancement Program (CREP) PIP

**Funding**

<u>Acct Code</u>	<u>Account Title</u>	<u>Estimated Total</u>	<u>Prior Biennium</u>	<u>Current Biennium</u>	<u>Reappropriations</u>	<u>New Appropriations</u>
552-1	Cons Assistance Acct-State	500,000				100,000
	<b>Total</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>

**Future Fiscal Periods**

	<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	<u>2031-33</u>
552-1 Cons Assistance Acct-State	100,000	100,000	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

**Operating Impacts**

No Operating Impact



## Capital Project Request

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000027	40000027
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 1:02PM

Project Number: 40000021

Project Title: 2023-2025 VSP Project Funding

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 9

### Project Summary

Funding enables the 27 counties enrolled in the Voluntary Stewardship Program (VSP) to continue engaging agricultural producers with farm-friendly actions that protect critical areas where agricultural activities occur, as required by our Growth Management Act (GMA). These counties are actively implementing state-approved VSP work plans and must monitor and report on progress toward goals and benchmarks. Funding provides cost-share for best management practice installation to meet county-wide VSP work plan goals and benchmarks to protect critical areas while maintain agricultural viability.

### Project Description

Counties have one of two options to meet GMA requirements for protecting critical areas where agricultural activities occur:

- 1.Enforce regulations on agricultural landowners. Prior to 2011, this was the only option available to counties.
- 2.Use the VSP approach to engage agricultural landowners with actions they can take voluntarily to protect critical areas.

Twenty-seven of our 39 counties are using VSP. Funding in this package is necessary for them to continue successful implementation of their state-approved work plans and meet time-sensitive benchmarks.

Since its inception in 2011, counties and their communities have invested significant work in accordance with this state program. Each of the 27 participating VSP counties<sup>[1]</sup> established a local work group that created a VSP work plan for the county. Each plan has goals and benchmarks designed to meet the objectives of the VSP statute. As of the end of 2019, all plans have been reviewed and approved by the VSP Technical Panel, in conjunction with the SCC and the VSP Statewide Advisory Committee.

VSP county-wide work plans set community-based benchmarks for what each county aims to achieve for critical area and farmland protection, and they provide an outline of the strategies they'll use to get there. Plans encourage federal, state, and local partners to coordinate on an incentive-based approach that engages agricultural producers and landowners with voluntary best management practices that protect critical areas while maintaining agricultural viability. Examples of these practices include: constructing fencing to keep cattle out of streams, installing manure management systems, improving irrigation water efficiencies, and adopting direct seed drilling techniques.

As VSP county-wide plans are implemented, they are monitored by each county and adaptively managed as needed to meet their goals and benchmarks. Every two years each county submits a status report to the state. Every five years each county must submit a five-year review and evaluation report that is reviewed and evaluated by the state Technical Panel and affirmed by the director of the SCC, after consultation with the State Advisory Committee.

The SCC administers VSP at the state-level, which includes supporting the Technical Panel, State Advisory Committee, science-based monitoring, and administrative tasks. Four state agencies staff the Technical Panel — Department of Agriculture (WSDA), Fish and Wildlife (WDFW), Ecology (ECY), and the SCC. The SAC is made up of county, agricultural, and environmental representatives.

What is the problem, opportunity, or priority you are addressing with the request?

VSP county-wide work plans rely on the voluntary participation of agricultural producers and landowners to install and maintain best management practices on their property designed to meet the goals and benchmarks of the county-wide VSP work plan. Agricultural producers and landowners enter into individual stewardship plans that set out a suite of best management practices they can use to assist the county in meeting their goals and benchmarks to protect critical areas while maintaining agricultural viability.

Though VSP is structured to make sure the best management practices produce results, there has never been any source of funding available to counties to incentivize the use of best management practices by agricultural producers. Counties have leveraged other federal, state and local voluntary incentive-based programs to fund these practices, with mixed results. Cobbling together enough funds for project development, installation, and ongoing maintenance is difficult, time-consuming, and limited by local agency staff capacity.

During the 2022 legislative session, for the first time in program history, the SCC received \$3,000,000 in supplemental capital funding for VSP for FY 2023. Commission staff drafted guidelines for the use of these funds for VSP-related

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Project Number: 40000021

Project Title: 2023-2025 VSP Project Funding

## Description

cost-share projects.

VSP needs additional state funding to provide a source of funds from which to provide the incentive for agricultural producers to participate in the program, fulfill statutory requirements and deliver on promises and progress made at the county level. Created by the Legislature in 2011, it directs counties to lead with incentives — rather than enforcement of regulations — to protect critical areas in places where agricultural activity is conducted. Prior to VSP, counties used GMA regulations to meet critical area requirements. Many stakeholders believed regulations threatened preservation of farmland, and there were many costly legal battles. VSP was the multi-partner, collaborative alternative born from these lessons-learned.

VSP's purpose is to bring together disparate stakeholders to work together at the local level to protect and enhance critical areas while maintaining agricultural viability. Under VSP, agricultural landowners voluntarily protect critical areas to achieve GMA compliance at the watershed level.

VSP started with two counties in 2014, and has since grown to 27 counties (70% of Washington counties). The 27 VSP counties are statutorily required to seek voluntary participation by willing landowners monitor to protect critical areas throughout the watersheds in their counties. The VSP statute directs the counties to leverage incentive-based programs already underway through federal, state and local programs, without providing any dedicated funding for best management practice installation.

However, as discovered by the counties, VSP Technical Panel, Statewide Advisory Committee, and SCC during the first five year reporting process, the available federal, state and local voluntary, incentive-based programs are inadequate to meet VSP participation needs, nor are their programmatic requirements always conducive to bringing willing participants to the VSP. Counties need a dedicated funding source to provide the necessary incentive to induce participation by agricultural producers to meet statutory and programmatic requirements.

Without additional funding, counties risk not being able to meet their county-wide work plan goals and benchmarks protect critical areas while maintaining agricultural viability. Insufficient participation by agricultural producers will result in all the investments of time and money at the local and state level in VSP being lost as counties fail out of VSP due to lack of participation. This includes time volunteered by local stakeholders to develop county work plans, efforts and trust contributed by agricultural landowners who completed stewardship plans for their properties and committed to taking actions to protect critical areas, and the years of expertise given by state leaders and partners to develop and administer the VSP approach. Seventy percent of Washington counties who depend on VSP to comply with the GMA will lose years of partnership-building and progress towards meeting critical area protection requirements.

This request for funding for cost-share funding has not been proposed before. The \$3,000,000 in supplemental capital funding for VSP the SCC received for FY 2023 was provided by the legislature before a request by the SCC was made.

However, after the five-year reporting process described above, wherein the SCC, counties, Technical Panel and Statewide Advisory Committee grew concerned about the level of participation by agricultural producers, the SCC had anticipated making such request for the 2023-2025 biennia.

This is the opportune time to address this problem, since it was discovered during the five year reporting process and during the last biennia, and will assist in meeting needs to address declining salmon populations (fish habitat being one of the critical areas) that intersect with agricultural activities, as identified during the last legislation session.

What is your proposal?

The requested \$3,000,000 ensures continued critical area protection and agricultural viability for Washington's future. This package sustains implementation of statutorily required VSP monitoring in the 27 participating counties while enhancing science-based approaches that foster resilient food systems, increase food security, and conserve natural resources.

Examples of services that will be provided with this funding include:

- Developing individual stewardship plans for agricultural producers designed to meet county-wide work plan goals and benchmarks. Each county is statutorily required to seek willing participants to ensure its work plan goals and benchmarks are effectively protecting critical areas.
- Counties will use incentive-based approaches that engage agricultural producers and landowners with voluntary best management practices to protect critical areas while maintaining agricultural viability. Examples of these practices include: constructing fencing to keep cattle out of streams, installing manure management systems, improving irrigation water efficiencies, and adopting direct seed drilling techniques.

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## Description

How is your proposal impacting equity in the state?

VSP is utilized by 27 of 39 counties, covering 70% of the landmass of Washington State. With continued VSP implementation all Washington State residents should see the effects of maintaining the viability of agriculture while protecting the functions and values of the state's critical areas, which include wetlands, critical aquifer recharge areas, fish and wildlife habitat conservation areas, frequently flooded areas, and geologically hazardous areas.

Increasing the viability of agriculture through VSP will reduce barriers for communities of color, underserved populations, and economically disadvantaged individuals to enter farming and agricultural careers and result in increased diversity within the farming community. Rural agricultural communities that depend on the viability of agriculture will be strengthened without regulatory burden. Urban communities will benefit from increased food security, greater access to diverse foods, and the protection of critical areas.

Communities of color and economically disadvantaged individuals continue to be hit hard during the pandemic, and are disproportionately employed in the agricultural, hospitality and food service industries, which shut down during efforts to control the virus. Those who lost income within these communities rely on stable, low-cost, nutritious and accessible sources of food. Maintaining the viability of agriculture during this pandemic will help them meet their basic needs while sustaining food banks and the food distribution system through the pandemic.

The agricultural community, consisting of farmers, ranchers, orchardists, among others, will avoid increased regulation and experience the continued viability of agriculture throughout the state. Voluntary participation in conservation best management practices will increase as VSP outreach and education occurs across the State.

Benefits for All

All Washingtonians are impacted by this request. We all benefit from the protection of critical areas in Washington State, and we all benefit from a strong agricultural economy and access to Washington-grown products. State and local government agencies and their staff will be effected through the increased voluntary interaction between the agricultural community and those implementing VSP on the local level. Hundreds of landowners, producers, farmers, and ranchers have already been encouraged to participate in VSP through each plans' outreach and education efforts.

What are you purchasing and how does it solve the problem?

This proposal (\$3,000,000) would ensure all 27 VSP counties have funding available to incentivize agricultural producers and landowners to participate in the VSP through individual stewardship plans, installing best management practices designed to meet county-wide VSP work plan goals and benchmarks to protect critical areas while maintain agricultural viability.

What alternatives did you explore and why was this option chosen?

VSP was a negotiated program designed to meet a wide range of stakeholder interests. If this package is not funded, counties risk failing out of VSP for lack of participation, and that will signal that the State does not support these types of negotiated solutions to complex and contentious natural resources issues.

This proposed solution will ensure the ongoing successful implementation of the 27 VSP work plans, protection of critical areas, and preservation of agricultural viability. Successful implementation of VSP keeps GMA regulation from threatening agricultural viability in each participating county. Continued funding for VSP builds on the over \$28 million the state has invested in VSP over the last four biennia for planning and implementation.

There are no additional funds available to meet the participation needs of the VSP counties. Providing incentives to participate in the VSP cannot be adequately met by reliance solely on leveraging federal, state and local incentive programs. Without this package, there will be a continued reduction in participation, which could result in some counties failing out of VSP and returning to regulation under GMA.

### Assumptions and calculations

This proposal (\$3,000,000) would ensure all 27 VSP counties have funding available to incentivize agricultural producers and landowners to participate in the VSP through individual stewardship plans, installing best management practices designed to meet county-wide VSP work plan goals and benchmarks to protect critical areas while maintain agricultural viability.

All of the funding (\$3,000,000) in this request would serve as the basis for a VSP incentive cost-share program administered by the SCC. Current funding for each county (\$235,000 per county, per biennia, for the FY2021-2023 biennia) is used by the counties to support 1 FTE to coordinate the implementation of the county-wide VSP work plan, including serving as staff for each county work group, establishing and maintain education and outreach on the VSP, monitoring, recording and

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Project Number: 40000021

Project Title: 2023-2025 VSP Project Funding

**Description**

processing data necessary for determining if the work plans goals and benchmarks are begin met, writing the two year and five year status reports, seeking sources of VSP project funds, and ensuring the county is in compliance with the other aspects of the VSP statute.

Workforce assumptions at the SCC:

- 1.0 FTE Environmental Planner 5 (Range 63)
- 1.0 FTE Natural Resource Scientist
- 0.25 FTE Management Analyst 5 (Range 61)
- 0.25 FTE Policy Assistant (WMS Band 3)
- 0.25 FTE Financial Manager
- 0.25 FTE Financial Analyst
- 0.25 FTE Administrative Assistant

Expansion, reduction, elimination or alteration of a current program or service

VSP was funded for the 2019-21 biennium at \$8,456,000, which allowed for all VSP work plans to be approved and for counties to begin implementation (\$235,000 per county, per biennia, or \$6,345,000 total). The remainder of funding for FY 19-21 (\$2,111,000) allowed for SCC administration, state agency participation on the TP (WSDA, WDFW, ECY, and SCC), and funded research through WDFW into high-resolution change detection (HRCD) which aided eleven counties with monitoring their plans. No funds were dedicated for incentivizing agricultural producer participation in VSP.

For the 2017-2019 biennium, VSP was funded at \$7,620,000 which allowed for counties to craft their county-wide VSP work plans (\$220,000 per county, per biennia, or \$5,940,000 total). The remainder of funding for FY 17-19 (\$1,680,000) allowed for SCC administration, state agency participation, and WDFW HRCD research. No funds were dedicated for incentivizing agricultural producer participation in VSP.

**Strategic and performance outcomes**

Strategic framework

Results WA leading indicators that will be addressed include 2.1.b. increase number of implemented agricultural BMPs to improve water quality in shellfish growing areas in Puget Sound, Grays Harbor and Pacific counties; 2.2.b. increase miles of stream habitat opened; 2.2.c. increase number of fish passage barriers corrected per year; 2.3.b. increase the 5-year running average of statewide sage-grouse population; 4.1.a. maintain current level of statewide acreage dedicated to working farms; 2.2 implement and maintain priority freshwater and terrestrial restoration projects; 3.1 use integrated market- based programs, incentives, and ecosystem markets to steward and conserve private forest and agricultural lands; 3.2 retain economically viable working forests and farms; 9.4 provide education and technical assistance to prevent and reduce releases of pollution; 10.4 control storm-water sources of pollutants; and 15.3 prevent and rapidly respond to the introduction and spread of terrestrial and aquatic invasive species.

This proposal directly relates to SCC strategies identified in its strategic plan, specifically addressing resource conditions, resource issue facilitation, conservation district operations, statewide program delivery, policy leadership, partnering, technical capacity, and public outreach and marketing. VSP funding provides for two full FTE's at the SCC, and portions of six other FTE's. The SCC's entire staff is 24 FTE's.

As VSP work plans continue to be implemented around the state, all Washington State residents will begin to enjoy the benefits of protecting the functions and values of the state's critical areas, while maintaining the viability of agriculture, without additional regulation.

Voluntary participation in conservation best management practices will increase as outreach and education occur across the State. More conservation projects and best management practices will be installed. State and local government agencies can expect an increase in voluntary participation by the agricultural community in programs that protect critical areas.

VSP is designed to use existing incentive programs to protect critical areas. Investment in VSP leverages existing federal, state and local conservation programs to partner on projects and address resource concerns.

[1] See Appendix A for a map of counties participating in VSP

**Location**

City: Statewide

County: Statewide

Legislative District: 098

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Project Number: 40000021

Project Title: 2023-2025 VSP Project Funding

**Description**

**Project Type**

Grants

**Grant Recipient Organization:** Counties & Conservation Districts

**RCW that establishes grant:** 89.08

**Application process used**

\*

**Growth Management impacts**

The Voluntary Stewardship Program (VSP) provides an alternative to GMA regulation which allows counties that enroll in it to implement incentive-based and voluntary measures to protect critical areas where agricultural activities take place.

Twenty-seven counties opted into VSP, allowing for those counties to use voluntary practices to meet GMA protection requirements without critical area ordinance regulation. Projects will support voluntary, incentive-based solutions without additional regulatory burden.

**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	15,000,000				3,000,000
	<b>Total</b>	<b>15,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000,000</b>

Acct Code	Account Title	Future Fiscal Periods			
		2025-27	2027-29	2029-31	2031-33
057-1	State Bldg Constr-State	3,000,000	3,000,000	3,000,000	3,000,000
	<b>Total</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

**Operating Impacts**

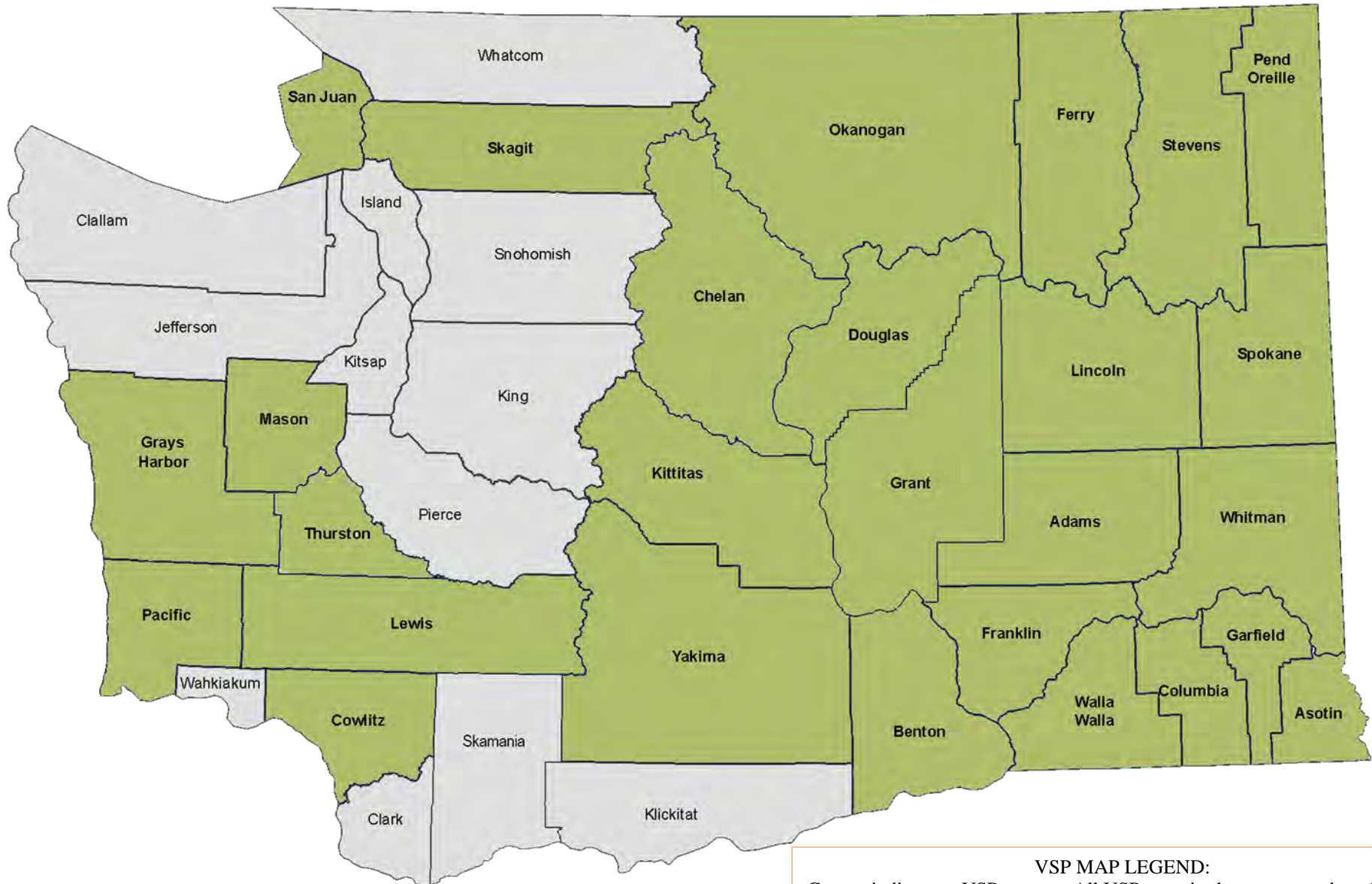
No Operating Impact

## Capital Project Request

2023-25 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000021	40000021
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids



**VSP MAP LEGEND:**  
Green: indicates a VSP county. All VSP counties have approved work plans  
Grey: indicates that county is not a participant in VSP



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## Appendix B

# VOLUNTARY STEWARDSHIP PROGRAM IMPLEMENTATION REPORTING REQUIREMENTS

## SUMMARY

The VSP statute sets two main reporting requirements during the implementation of an approved VSP work plan: a two-year report at the end of each biennia, and a five-year review and evaluation report. The Conservation Commission, Technical Panel, and Statewide Advisory Committee reviews, evaluates, and consults on only the five-year report.

## TWO-YEAR STATUS REPORT DUE EVERY BIENNIA

Within sixty days after the end of the state of Washington's biennium, each county work group must "conduct periodic evaluations, institute adaptive management, and provide a written report of the status of plans and accomplishments to the county and to the Commission."<sup>1</sup>

The two-year status report is informational in nature. It is due as follows:

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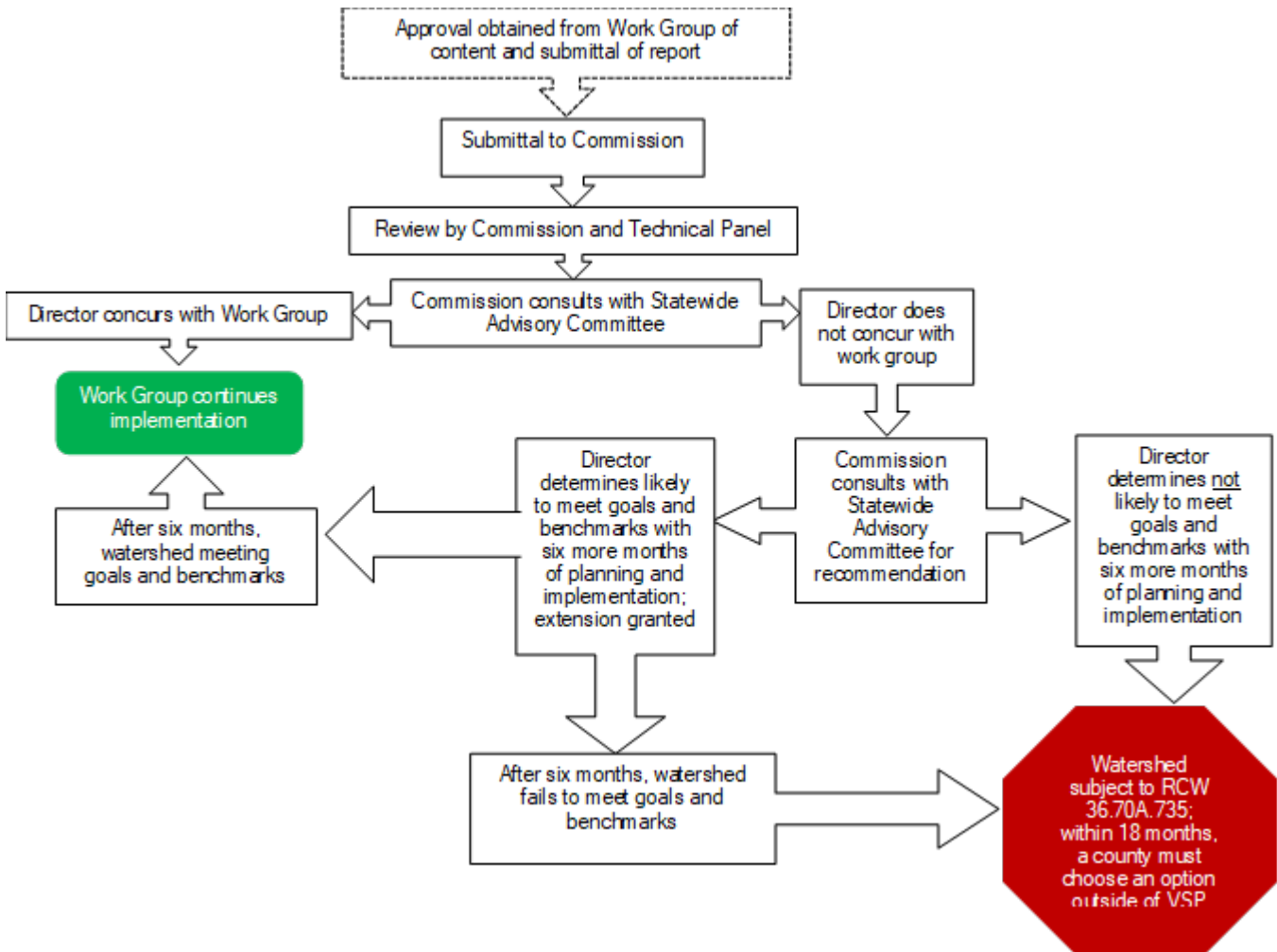
<sup>1</sup> [RCW 36.70A.720\(1\)\(j\)](#)

COUNTY	DUE DATE
Adams	<p><b>No later than August 30, 2019</b> (and at the end of each biennia on August 30 thereafter)</p>
Asotin	
Benton	
Chelan	
Columbia	
Cowlitz	
Douglas	
Ferry	
Franklin	
Garfield	
Grant	
Grays Harbor	
Kittitas	
Lewis	
Lincoln	
Mason	
Okanogan	
Pacific	
Pend Oreille	
San Juan	
Skagit	
Spokane	
Stevens	
Thurston	
Walla Walla	
Whitman	
Yakima	

## FIVE-YEAR REVIEW AND EVALUATION REPORT

At five year intervals from the date of receipt of funding, each county work group must submit a report to the director of the Commission and the county on whether it has met the work plan's protection and enhancement goals and benchmarks.<sup>2</sup>

Five year review and evaluation reports are to be submitted by each county work group to the Commission, not based on five years from approval of their work plan, but five years from when each county first received funding for VSP. The five-year report review and evaluation process is below:



<sup>2</sup> [RCW 36.70A.720\(2\)\(b\)\(i\) and \(c\)\(i\)](#)

<b>SCHEDULE FOR SUBMITTAL OF FIVE YEAR REPORTS</b>					
<b>COUNTY</b>	<b>RECEIPT OF FUNDING DATE</b>	<b>5 YEAR</b>	<b>10 YEAR</b>	<b>15 YEAR</b>	<b>20 YEAR</b>
Adams	5.23.16	5.23.21	5.23.26	5.23.31	5.23.36
Asotin	12.14.15	12.14.20	12.14.25	12.14.30	12.14.35
Benton	1.12.16	1.12.21	1.12.26	1.12.31	1.12.36
Chelan*	1.20.14	7.20.19	7.20.24	7.20.29	7.20.34
Columbia	1.20.16	1.20.21	1.20.26	1.20.31	1.20.36
Cowlitz	12.22.15	12.22.20	12.22.25	12.22.30	12.22.35
Douglas	1.22.16	1.22.21	1.22.26	1.22.31	1.22.36
Ferry	3.14.16	3.14.21	3.14.26	3.14.31	3.14.36
Franklin	2.24.16	2.24.21	2.24.26	2.24.31	2.24.36
Garfield	11.30.15	11.30.20	11.30.25	11.30.30	11.30.35
Grant	12.14.15	12.14.20	12.14.25	12.14.30	12.14.35
Grays Harbor	3.21.16	3.21.21	3.21.26	3.21.31	3.21.36
Kittitas	11.17.15	11.17.20	11.17.25	11.17.30	11.17.35
Lewis	4.18.16	4.18.21	4.18.26	4.18.31	4.18.36
Lincoln	3.21.16	3.21.21	3.21.26	3.21.31	3.21.36
Mason	11.24.15	11.24.20	11.24.25	11.24.30	11.24.35
Okanogan	12.28.15	12.28.20	12.28.25	12.28.30	12.28.35
Pacific	12.22.15	12.22.20	12.22.25	12.22.30	12.22.35
Pend Oreille	2.2.16	2.2.21	2.2.26	2.2.31	2.2.36
San Juan	12.21.15	12.21.20	12.21.25	12.21.30	12.21.35
Skagit	1.19.16	1.19.21	1.19.26	1.19.31	1.19.36
Spokane	4.22.16	4.22.21	4.22.26	4.22.31	4.22.36
Stevens	3.10.16	3.10.21	3.10.26	3.10.31	3.10.36
Thurston*	1.20.14	7.20.19	7.20.24	7.20.29	7.20.34
Walla Walla	3.7.16	3.7.21	3.7.26	3.7.31	3.7.36
Whitman	1.19.16	1.19.21	1.19.26	1.19.31	1.19.36
Yakima	1.21.16	1.21.21	1.21.26	1.21.31	1.21.36

†All timelines subject to continued Legislative funding.

\* Special note on Chelan and Thurston County: Both Chelan and Thurston County were pilot projects that received funding much earlier than all the rest of the counties that opted-into VSP. As such, their timelines are substantially different. Other counties have later deadlines based on when additional funding was made available to them.

## Comparing the Two-Year Status Report and the Five-Year Review and Evaluation Report

The two-year status report provides the County and VSP work group with a forum for updating the public on the VSP implementation progress made during each biennium. The two-year status report is not reviewed and evaluated by the Commission, the VSP Technical Panel, or the VSP Statewide Advisory Committee. There is no statutory authority in the VSP statute for the Commission, Technical Panel, or Statewide Advisory Committee to review and evaluate the two-year status report. Monitoring results are not required to be reported in the two year status report unless a county wants to share those as part of demonstration of progress and results of the VSP.

The five-year review and evaluation report is reviewed and evaluated by the Commission, in conjunction with the Technical Panel and the Statewide Advisory Committee.<sup>3</sup> VSP county work groups use the five-year review and evaluation report to assert that they are (or are not) meeting their VSP work plan goals and benchmarks.

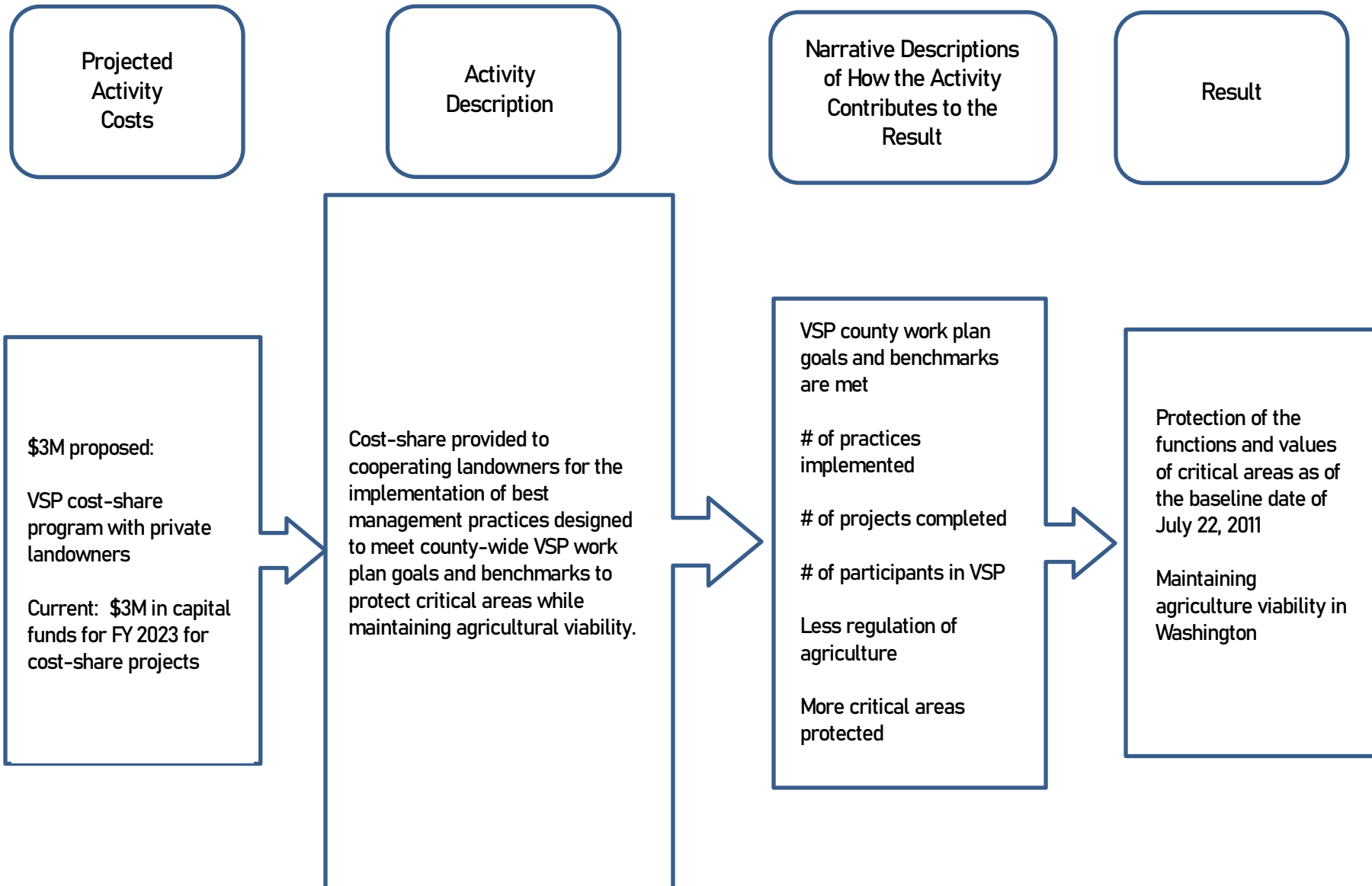
The Commission, as part of its review, determines through an analysis of the five-year review and evaluation report whether or not it concurs with the assertion of the work group. As a result, the five-year review and evaluation report must include specific information related to the county work plan goals and benchmarks, as well as monitoring and adaptive management plans. There are statutory requirements related content for the five-year review and evaluation report.<sup>4</sup>

Summary of Differences	
Two-year Status Report	Five-year Review and Evaluation Report
Due at the end of every biennium, no later than August 30	Due every five years from the date a county initially received VSP funds
Reports on the status of “plans and accomplishments:	Reports on whether or not the county work group believes the VSP work plan is meeting its goals and benchmarks
Is not reviewed by the Commission, Technical Panel or Statewide Advisory Committee	Is reviewed and evaluated by the Commission, Technical Panel, and Statewide Advisory Committee
No requirement to include details on monitoring, cost-share projects, or adaptive management	Must include details on monitoring, cost-share projects, and adaptive management (if an adaptive management plan is required)
Cannot trigger statutory provisions leading to a county failing out of VSP	May trigger statutory provisions leading to a county failing out of VSP
Commission guidance complete in Policy Advisory 05-18	Commission guidance and template for report not yet complete

<sup>3</sup> [RCW 36.70A.705 \(e\)](#) and [RCW 36.70A.730 \(1\)](#)

<sup>4</sup> Ibid.

## VOLUNTARY STEWARDSHIP PROGRAM CHAIN LOGIC MODEL



# 471 - State Conservation Commission Capital Project Request

2023-25 Biennium

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Version: SC 2023-2025 Capital Budget Request

Report Number: CBS002

Date Run: 9/16/2022 1:03PM

Project Number: 40000028

Project Title: 2023-2025 Washington Shrubsteppe Restoration and Resiliency Initi

## Description

Starting Fiscal Year: 2024

Project Class: Grant

Agency Priority: 10

### Project Summary

This \$1.5 million project will allow for funding to be provided to public and private landowners to rebuild wildlife-friendly fences impacted in impacted and prioritized areas. This program is not phased. The Department's shrubsteppe recovery committee, authorized in the operating budget, will guide distribution of the Cooperative Wildlife Fencing funding under this capital budget proviso. Funding will be provided to public and private entities to rebuild wildlife-friendly fences in prioritized areas impacted by wildfires. This will benefit the critical habitats required for endangered and threatened species, allowing those habitats to recover undisturbed. Furthermore, it will benefit private landowners whose fencing was destroyed by the fires, allowing them to construct new fencing to continuing grazing livestock on their lands. We anticipate that over 125 miles of wildlife-friendly fencing will be installed with these funds. This fence will support wildlife values and ranching communities in eastern Washington by facilitating sustainable grazing and wildlife movement and migration. We will track the miles of fence installed on public and private lands.

### Project Description

#### Package Description

#### Background

The Washington Shrubsteppe Restoration and Resiliency Initiative (WSRRI) was developed when the Washington State Legislature appropriated \$2.35 million of operating funds and \$1.5 million of capital funds from the state general fund to WDFW to restore and protect shrubsteppe (sagebrush) habitat in Eastern Washington amid the threat of wildland fires. The capital funds were specifically earmarked to replace burned fencing with wildlife-friendly fences in shrubsteppe areas burned in the 2020 fires in Douglas, Okanogan, and Lincoln counties.

WDFW formed a steering committee in partnership with the Washington State Conservation Commission (SCC) and the Washington Department of Natural Resources (DNR) to make decisions on how to use this new state funding to conserve shrubsteppe habitat while supporting working lands. The collaborative effort of WSRRI allows natural resource agencies to support partners and step in and provide help immediately when a future wildland fire crisis occurs.

Through coordination with and under the advisement of multiple partners (local, state, federal, Tribal, agricultural, and non-profits), the \$1.5 million capital funding for wildlife-friendly fencing practices was partially passed-through from WDFW to SCC through an agreement and then to conservation districts (CD) to distribute out as cost-share to farmers and ranchers for on-the-ground implementation. Wildlife-friendly fencing practices include the installation of hard fencing with more wildlife-friendly specifications, retrofitting existing fence, removing fence, and implementing virtual fence projects. With the current biennial funding, 10 miles of hard wildlife friendly fencing have been installed in burned areas, and 6 additional miles are planned. WSRRI funds are also supporting innovative virtual fencing projects, a new technology which uses GPS-enabled collars and reception towers to manage livestock instead of hard fencing. As one member of the WSRRI advisory group stated, "The best wildlife friendly fence is no fence." With the currently funded virtual fence projects (four total), approximately 180 miles of hard fencing will be replaced. Virtual fencing has immense potential to improve wildlife connectivity and grazing management abilities for ranchers in Washington. An added benefit is that this funding can be used in years when there is minimal impact from wildland fires, to proactively replace traditional fencing with wildlife friendly fencing practices.

Conservation districts are well poised to continue to assist all landowners in Washington's shrubsteppe; private, public, and Tribal with removing derelict or damaged fencing, retrofitting existing fencing to be wildlife friendly, replacing old or burned traditional fence with wildlife friendly fence, assisting ranchers with virtual fence projects, and providing technical assistance.

This request would provide \$1.5 million to conservation districts to assist landowners with implementing wildlife friendly fencing practices in prioritized areas impacted by wildfires. Funding this request will benefit habitats essential for endangered and threatened wildlife species such as sage-grouse.

### Current Situation

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Project Title: 2023-2025 Washington Shrubsteppe Restoration and Resiliency Initi

## Description

Over the last few years, catastrophic wildfires in Washington's shrubsteppe have become more and more common. As one of Washington's most diverse ecosystems, shrubsteppe provides habitat for species found nowhere else in the state, such as pygmy rabbit, greater sage-grouse, sharp-tailed grouse, and pronghorn antelope. With an estimated 80% of historic shrubsteppe lost or degraded due to development, conversion to agriculture, and other stressors, since the arrival of non-native settlers, protecting remaining shrubsteppe habitats is more important than ever. Another unique factor about Washington's shrubsteppe is that the majority of it is in private ownership, and depends on the stewardship of these landowners, especially ranchers who maintain wide open areas of shrubsteppe that benefit these important wildlife species. Shrubsteppe habitat is a Priority Habitat in Washington (<https://wdfw.wa.gov/species-habitats/at-risk/phs>), and it has a high number of imperiled and priority wildlife species associated with it (Washington State Wildlife Action Plan; <https://wdfw.wa.gov/species-habitats/at-risk/swap>). Effects of climate change on the shrubsteppe ecosystem can include shifts in precipitation, drought, and wildfires. Increased fire frequency and intensity is a threat to the shrubsteppe, including the wildlife and human communities who depend on this land for their livelihoods.

Fencing is a tool that helps landowners manage sustainable grazing in order to promote healthy native shrubsteppe conditions (including exclusion from sensitive areas) that can reduce the threat of catastrophic wildland fire. However, fencing can pose a threat to wildlife if it is not well designed or maintained. For instance, mule deer can get tangled in it, and grouse often collide with fencing due to low visibility of wires, resulting in mortality. When wildland fire burns fencing, the damaged fencing and barbed wire that remains is a threat to a variety of wildlife, as well as humans working on the landscape. After wildland fire, landowners need immediate assistance to remove the burned fencing and replace it with fencing specified as wildlife friendly, so that such future direct impacts to wildlife and humans are minimized, and habitat on pastures can recover and then be managed accordingly for livestock and wildlife.

In the 21-23 biennium, funds were passed through to the SCC from WDFW via an agreement and then administered to conservation districts by the SCC. The current funding flow introduces unnecessary administration burdens that a direct appropriation to SCC would alleviate. The funds would still be guided through the established WSRRI multi-agency steering committee and related procedures.

### What is your proposed solution?

How do you propose to address this problem, opportunity or priority?

Currently, WSRRI funds that assist landowners with fence replacement flow from WDFW to the SCC and then to CDs who work with landowners to implement wildlife friendly fence projects. Greater efficiency will be created by a direct appropriation to SCC of this funding, that will still be guided and directed under the WSRRI steering committee and established processes and procedures. WDFW and DNR have expressed support and requested a direct appropriation to the SCC for this work. A direct appropriation of WSRRI wildlife friendly fence funds to SCC will better respond and assist private, public, and Tribal land managers to get wildlife friendly fencing practices on the ground following wildland fire and in years when there is minimal impact from wildland fires, to proactively replace traditional fencing with wildlife friendly fencing practices. We propose directly appropriating the WSRRI capital funds to SCC in order to reach greater efficiencies in facilitating funds to the conservation districts and landowners (private, public, Tribal) that need them.

### Why is this proposed solution the best option?

Over the FY21-23 biennium, DNR, WDFW, and SCC have developed a strong partnership in reaching solutions to distribute this funding. Strong partnerships are necessary to address complex issues in the shrubsteppe such as climate change, wildland fires, threatened wildlife species, and agricultural economies such as ranching. When funding becomes available for wildland fire recovery efforts that benefit both wildlife and land managers, this funding needs to be used immediately to implement projects such as wildlife friendly fencing. Under this strong partnership, direct appropriation to SCC is the best option as administrative burdens and delays associated with passing through funds from WDFW would be eliminated.

### Identify who will be affected by this decision package (DP) and how.

Public benefits will be realized by all Washingtonians through the environmental improvements brought about by implementation of wildlife friendly fence projects, continued access to local foods as our farmers are supported in their work



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## Description

with WSRRI projects, and economic support by the jobs created through implementation of conservation projects. Wildlife friendly fence approaches will support wildlife values and ranching communities in eastern Washington by facilitating sustainable grazing and wildlife movement and migration. Landowners will benefit by being able to more quickly recover after wildfire to reinstate and improve their fencing systems to allow the land to recover and be managed accordingly. WDFW and the general public will benefit from the participation of landowners in installing wildlife friendly fencing for grazing management that allows for rotational grazing to promote quality wildlife habitat and exclude livestock from sensitive areas, while not posing a risk to wildlife. SCC and CDs will benefit from the efficiency of being able to administer wildlife friendly fence projects' funds through SCC's familiar and streamlined processes. CDs will more directly and effectively serve landowners to support their stewardship of the land and wildlife.

### How many clients will or will not be served? Served by whom?

We anticipate that \$1.5 million for wildlife friendly fencing will replace 200 miles of traditional hard-wire fencing with wildlife friendly fence practices.

Given the number of landowners we have been able to serve this biennium, this funding could serve up to 20 landowners and over 40,000 acres of shrubsteppe habitat.

Clients will be served directly and locally by conservation districts.

### What are you purchasing and how does it solve the problem?

#### What services and/or materials will be provided, when and to whom?

The same services and materials provided in the FY21-23 biennium under WDFW administration will be provided in the FY23-25 under SCC administration. We are purchasing direct outreach to landowners immediately following wildland fire in the shrubsteppe, technical assistance from conservation districts to landowners in choosing the best wildlife friendly fencing option for their land, cost-share to Tribal, private, and public landowners for wildlife friendly fencing practices such as fence removal, fence retrofit, smooth-wire fencing, fence markers for grouse, and virtual fencing systems. These services will be provided through the WSRRI collaborative structure already in place.

This DP solves the problem of administrative inefficiency to facilitate a quicker response with recovery services following wildland fires. This DP also works to solve natural resource issues on a varied and broad scale that are identified and prioritized locally but are also important to all citizens of Washington such as improved wildlife habitat, access to locally grown foods and fiber, and economic benefits through job creation as well.

### How will these purchases achieve the desired outputs, efficiencies and outcomes?

This DP will achieve the goals and objectives for natural resource improvements and protection as described in the BN 21-23 Shrubsteppe Proviso. This funding is a key piece of WSRRI and without it, all partnering agencies, conservation districts, and landowners cannot achieve the goal of benefitting important habitats required for endangered and threatened species in the shrubsteppe.

**Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.** Please include annual expenditures.

\$1.5 million is devoted to the WSRRI wildlife friendly fencing program by the BN 21-23 Shrubsteppe Proviso.

**Decision Package expenditure, assumptions, calculations and details:** Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

This DP is requesting additional funds, in the same amount previously appropriated, to carry on the work of the WSRRI into the next biennium. The amount requested is an estimate of need reflecting on acres burned and projects proposed in the 21-23 biennium process.

### Decision Package Justification and Impacts

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**Description**

**What specific performance outcomes does the agency expect?**

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

This proposal relates to the following SCC Strategic Plan areas:

Voluntary Conservation of Natural Resources

- Goal I. Protect and enhance fish and wildlife habitat.
- Goal IV. Improve forest and rangeland health on private land.
- Goal V. Strengthen awareness of natural resources' value and conservation opportunities

Agricultural and Working Lands Viability and Food System Support

- Goal II. Working lands are available for future generations.
- Goal IV. Economically viable farms, farmland, and strong local and regional food systems.

Climate Resiliency

- Goal I. Equip producers and land stewards to strengthen adaptive management strategies to successfully adapt to a changing climate
- Goal V. Strengthen the ability of our natural and working landscapes and communities to prepare for and respond to drought, wildfire, flood, and other climate-related hazards

Leadership, Partnership, and Collaboration

- Goal I. Earn and maintain the trust of partners and decision-makers
- Goal II. Demonstrate leadership in voluntary conservation resulting in innovative natural resource solutions that work
- Goal III. Cultivate a broad and inclusive culture of conservation
- Goal IV. Foster collaborative, holistic, multi-benefit solutions for natural resources and agriculture.

The Governor's Results Washington indicators addressed by this funding proposal include:

- 2.3 Increase the percentage of current state listed species recovering from 28% to 35% by 2020.
- 2.3.b. Increase the 5-year running average of statewide sage-grouse population from 1,000 to 1,100 by 2017.

**Fully describe and quantify expected impacts on state residents and specific populations served.**

In the FY21-23 round of funding, private landowners and producers were the primary recipients of financial assistance (cost share) to implement wildlife friendly fencing. However, we know this can change dependent of where wildland fires will occur in the shrubsteppe. The shrubsteppe ecosystem extends from the Okanogan and Methow Valleys in North Central Washington and throughout the Columbia Basin south to the Columbia River Gorge, extending east to Spokane and Lincoln counties. It is difficult to quantify how many land managers will be willing to participate in these voluntary program opportunities but WSRRRI covers a significant portion of the state, offering this assistance and opportunity to a high percentage of landowners of all types, and agricultural producers.

**What are other important connections or impacts related to this proposal?**

**Impact(s) To:  
Identify / Explanation**

**Regional/County impacts?**

Select Y/N

**Identify: Yes, shrubsteppe habitat is located throughout central and eastern Washington, and wildland fires frequently impact wildlife and human communities at the regional and county scale in these areas.**

**Other local gov't impacts?**

Select Y/N

**Identify: Yes, particularly in rural areas where the economy is dependent on wildlife habitat and working lands.**

**Tribal gov't impacts?**

Select Y/N

**Identify: Yes, especially when wildland fires affect resources of significance to Pacific Northwest Indian Tribes, and directly impact Tribal lands and communities.**

**Other state agency impacts?**

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Select Y/N

Identify: Yes, ability to carry out provisions of WSRRRI's intent as stated in the BN 21-23 Shrubsteppe Proviso.

Responds to specific task force, report, mandate or exec order?

Select Y/N

Identify: Yes, the BN 21-23 Shrubsteppe Proviso

Directly connected to BN21-23 Shrubsteppe Proviso, whereby this budget request will extend our collaborative effort to offer wildlife friendly fence options to landowners.

Fencing as threats to wildlife and adoption of wildlife-friendly fence approaches to minimize those threats are described in:

- Western Association of Fish and Wildlife Agencies (WAFWA) Sagebrush Conservation Strategy – Challenges to Sagebrush Conservation (<https://wafwa.org/sagebrush-conservation-strategy/>)

- WAFWA Greater Sage-Grouse Comprehensive Conservation Strategy (<https://wdfw.wa.gov/sites/default/files/publications/01317/wdfw01317.pdf>)

- 2021 WA Periodic Status Review for the Greater Sage-grouse (<https://wdfw.wa.gov/sites/default/files/publications/02173/wdfw02173.pdf>)

- 2017 WA Periodic Status Review for the Columbian Sharp-tailed Grouse (<https://wdfw.wa.gov/sites/default/files/publications/01921/wdfw01921.pdf>)

- 2014 WAFWA Pronghorn Management Guides

(<https://wafwa.org/wpdm-package/pronghorn-management-guidelines/?wpdmdl=7669&refresh=62f5ca203cc181660275232>)

- 2018 Department of the Interior Secretarial Order (SO) 3362 - "Improving Habitat Quality in Western Big Game Winter Range and Migration Corridors" (<https://wafwa.org/wp-content/uploads/2021/04/Signed-SO-3362.pdf>)

- 2020 WA Action Plan for implementation of Department of the Interior Secretarial Order 3362: "Improving Habitat Quality in Western Big-Game Winter Range and Migration Corridors"

(<https://www.nfwf.org/sites/default/files/2020-10/Washington2020SAP.pdf>)

- U.S. Fish and Wildlife Service. 2013. Greater Sage-grouse

Conservation Objectives: Final Report. U.S. Fish and Wildlife Service, Denver, CO. February

2013. [http://www.sagegrouseinitiative.com/wp-content/uploads/2013/07/USFWS\\_ConservationObjectives-report.pdf](http://www.sagegrouseinitiative.com/wp-content/uploads/2013/07/USFWS_ConservationObjectives-report.pdf)

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Facility/workplace needs or impacts?

Select Y/N

Identify: None anticipated.

Capital Budget Impacts?

Select Y/N

Identify: No other capital budget impacts anticipated.

Is change required to existing statutes, rules or contracts?

Select Y/N

Identify: No

Is the request related to or a result of litigation?

Select Y/N

Identify lawsuit (please consult with Attorney General's Office): No

Is the request related to Puget Sound recovery?

Select Y/N

No

Identify other important connections

What alternatives were explored by the agency and why was this option chosen?

. The WSRRRI steering committee considered a request for these funds originating from DFW which would then utilize the

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Capital Project Request**

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**Description**

current method of funding flow to administer the funds which is very inefficient. This option was chosen by the WSRRRI steering committee, which includes representatives from WDFW, DNR, and SCC. It was chosen in order to achieve process efficiencies in bypassing additional agreement coordination and reach greater effectiveness by directly appropriating the WSRRRI capital funds to SCC, who can work directly with conservation districts to get wildlife friendly fencing implemented following wildland fire.

**What are the consequences of not funding this request?**

Not funding this request could result in 5-strand barbed wire traditional fencing being installed instead of wildlife friendly fencing because land managers and ranchers need to get fence onto the landscape quickly in order to rest and manage native shrubsteppe pastures after fire and to manage grazing livestock appropriately. Such barbed wire fence is detrimental to wildlife, especially mule deer, antelope, greater sage-grouse, and sharp-tailed grouse. Wildlife can become entangled in or collide with traditional fence, resulting in unnecessary mortalities. In addition, where grazing occurs, key plant species of Washington's shrubsteppe, such as native blue bunch wheatgrass, require specially timed rotational grazing in order to thrive. Wildlife are dependent on these native perennial bunchgrasses and poor grazing management could result in loss of native grasses and introduction of and dominance by non-native species, including cheat grass. Not funding this request could also discourage the continuation of family ranches in eastern Washington, who are dealing with ever increasing pressures on their ranching operations including wildfires and loss of quality forage. Wildlife species are dependent on the continuation of these ranches. Wildlife friendly fencing, especially systems such as virtual fencing, is an elegant solution that allows ranches to continue their operations and provide wildlife habitat.

**How has or can the agency address the issue or need in its current appropriation level?**

The SCC does not currently have direct funding dedicated to installation of wildlife friendly fencing approaches in the shrubsteppe. The FY21-23 funds appropriated to DFW are anticipated to be fully spent.

**Location**

City: Statewide

County: Statewide

Legislative District: 098

**Project Type**

Grants

Grant Recipient Organization: Conservation Districts

RCW that establishes grant: 89.08

Application process used

\*

**Growth Management impacts**

N/A

**Funding**

Acct Code	Account Title	Estimated Total	Expenditures		2023-25 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	9,500,000				1,500,000
	<b>Total</b>	<b>9,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500,000</b>
<b>Future Fiscal Periods</b>						
		<u>2025-27</u>	<u>2027-29</u>	<u>2029-31</u>	<u>2031-33</u>	

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**Funding**

		Future Fiscal Periods			
		2025-27	2027-29	2029-31	2031-33
057-1	State Bldg Constr-State	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
	<b>Total</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>

**Operating Impacts**

No Operating Impact

## Capital Project Request

2023-25 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2023-25	2023-25
Agency	471	471
Version	SC-A	SC-A
Project Classification	*	All Project Classifications
Capital Project Number	40000028	40000028
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids



DEPARTMENT OF  
NATURAL RESOURCES

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August 24, 2022

Jennifer Masterson  
Senior Budget Assistant, Capital  
Myra Baldini  
Capital Budget Assistant  
Office of Financial Management  
P.O. Box 43113  
Olympia, WA 98504-3113

Re: Washington Shrubsteppe Restoration and Resiliency Initiative – Wildlife Friendly Fencing

Dear Ms. Baldini and Ms. Masterson:

I'm writing on behalf of the Washington State Department of Natural Resources (DNR) to express our full support for funding a direct appropriation of \$1.5 million to the Washington State Conservation Commission (SCC) for the FY23-25 Biennium Washington Shrubsteppe Restoration and Resiliency Initiative (WSRRI) – Wildlife Friendly Fencing budget request.

The WSRRI is an ambitious and critical, collaborative initiative between the Washington Department of Fish and Wildlife (DFW), DNR, and SCC to restore and protect shrubsteppe habitat, a unique, vital, and endangered ecosystem in eastern Washington. This ecosystem supports many important species of wildlife, including the iconic and critically endangered Greater Sage-grouse. These lands also support a significant agricultural sector in Washington, beef production. In turn, these lands also support many rural communities in eastern Washington.

I'm the Wildland Fire and Forest Resiliency Liaison for the Commissioner of Public Lands, the state-wide elected official that leads the DNR. My role is to develop and maintain partnerships with federal and state resource agencies, tribes, Washington's fire service, NGOs, small private and industrial landowners, and communities in Washington state to support effective fire management and the restoration of ecological resistance and resilience to wildland fire and climate change. Our agency manages state owned arid lands for both grazing and conservation along with providing fire management in this landscape, and has a long-term commitment to the management and conservation of shrubsteppe habitat. In support of this commitment, I represent the DNR on the Steering Committee of the WSRRI, participate in the WSRRI Long-Term Strategy Advisory Group, and chair the Initiative's Wildland Fire Workgroup. We are committed to working collaboratively with the SCC and DFW to implement a shared vision and goals for conserving and restoring shrubsteppe lands in Washington state through the WSRRI.

Funding this request to directly provide an appropriation to support the Wildlife Friendly Fencing program at the SCC will help satisfy a high priority need identified by the WSRRI and provide greater efficiency in implementing the work that needs to be accomplished. The Wildlife Friendly Fencing program will still be guided and directed under the WSRRI steering committee and established processes

and procedures, and we recommend a direct appropriation of the WSRRI – Wildlife Friendly Fencing funds to SCC for the 23-25 Biennium to continue this important work.

Sincerely,



Allen Lebovitz  
Wildland Fire and Forest Resiliency Liaison  
Chair, Washington Wildland Fire Advisory Committee  
*Office of the Commissioner of Public Lands*  
*Washington Department of Natural Resources*

cc: Hannah Anderson, WDFW Wildlife Diversity Manager  
Janet Gorrell, WDFW Landscape Conservation Section Manager  
Shana Joy, WSCC District Operations & Regional Manager Coordinator  
Southeast Regional Manager  
Allisa Carlson, WSCC Southcentral Regional Manager





**Web and email**

conservationnw.org  
facebook.com/ConservationNW  
info@conservationnw.org

**Seattle headquarters**

1829 10th Ave W, Suite B  
Seattle, WA 98119  
206.675.9747  
206.675.1007 (fax)

August 18, 2022

Jennifer Masterson and Myra Baldini, Capital Budget Committee staff

Re: Washington Shrub Steppe Restoration and Resiliency Initiative -Wildlife Friendly Fencing

Dear Ms. Baldini and Ms. Masterson:

I write on behalf of Conservation Northwest to express its full support for an additional \$1.5M for the Washington State Conservation Commission (WSCC) in the 2023-2025 biennium. Conservation Northwest exists to protect connect and restore habitat and species from the Rockies to the Cascades in Washington and British Columbia. Protecting and restoring Shrub Steppe habitat is especially important to us in our Sagelands Heritage Program.

For the present biennium The Legislature appropriated \$2.35M of operating funds and \$1.5M capital funds to WDFW to restore and protect shrub steppe habitat after fires in Douglas, Okanogan, and Lincoln counties. A steering committee of WDFW, WSCC and DNR decides how to use these funds to conserve shrub steppe habitat while supporting working lands.

CNW supports all the restoration activities that resulted from the WSRRI appropriated funds. As Sagelands Heritage Program Lead, I serve on several multi-level committees to help direct the capital funds to implement the wildlife friendly fence component of the WSRRI. While working on the Wildlife Friendly Fencing Committee, the Near-Term Action Committee, and the Long-Term Strategy Committee, I saw firsthand how partners from WSCC and conservation districts were able to develop a new program and quickly move to implementation of wildlife friendly fencing. This occurred through a pass through of funding from WDFW to WSCC that was then distributed out to landowners for on-the ground implementation.

Many miles of both hard and “virtual” wildlife friendly fence are now being applied in the Cold Springs, Pearl Hill and Whitney burned areas at the guidance of conservation districts. Virtual fencing has the capacity to change the face of western livestock management and wildlife conservation across Washington and the West, especially as an alternative to rebuilding burned fences. Conservation districts stand ready to assist public and private landowners with installing wildlife-friendly fencing in areas impacted by wildfires when additional funds are provided. They have a proven track record in this area that will benefit landowners, improve grazing management, and benefit habitats essential for endangered and threatened wildlife species.

**Web and email**

conservationnw.org  
facebook.com/ConservationNW  
info@conservationnw.org

**Seattle headquarters**

1829 10th Ave W, Suite B  
Seattle, WA 98119  
206.675.9747  
206.675.1007 (fax)

For the next biennium, a direct appropriation to WSCC is what we recommend to continue this excellent field recovery work without administrative burdens or delays. Such funds would still be directed by the WSRRI steering committee using established processes,. But by going directly through WSCC it would greatly improve the efficiency immediately after fires.

More than 80 percent of historic shrub steppe habitat in our state has been lost or degraded. In 2020 alone, more than 600,000 acres of this imperiled landscape burned in devastating wildfires, heavily impacting wildlife and human communities.

We will continue to provide our assistance to the WSRRI and look forward to working with WDFW, DNR, WSRRI and conservation districts in a streamlined and more efficient program that provides immediate response to the needs of people and wildlife after and before catastrophic fires.

Sincerely,

A handwritten signature in cursive script that reads "Jay Kehne". The signature is written in black ink and is positioned above the printed name.

Jay Kehne  
Sagelands Heritage Program Lead



**FOSTER CREEK CONSERVATION DISTRICT**

P.O. Box 398 – Waterville, WA 98858-0398

Telephone: 509-888-6372

Email: [info@fostercreekcd.org](mailto:info@fostercreekcd.org)

August 30, 2022

Jennifer Masterson and Myra Baldini  
Office of Financial Management

**Re: Washington Shrub-steppe Restoration and Resiliency Initiative – Wildlife Friendly Fencing**

Dear Ms. Baldini and Ms. Masterson:

I write on behalf of Foster Creek Conservation District to express our full support for funding a direct appropriation of \$1.5 million to the Washington State Conservation Commission (SCC) for the FY23-25 Washington Shrub-steppe Restoration and Resiliency Initiative (WSRRI) – Wildlife Friendly Fencing budget request.

WSRRI was developed when the Washington State Legislature appropriated \$2.35 million of operating funds and \$1.5 million of capital funds from the state general fund to the Washington Department of Fish & Wildlife (WDFW) to restore and protect shrub-steppe habitat in Eastern Washington amid the threat of wildland fires. The capital funds have been used to assist ranchers who have lost often several miles of livestock fencing to wildfire, and must replace these fences often at costs exceeding \$100,000.00. Under this program, burned fences have been replaced with fences designed to cause minimal impact to threatened, endangered, and priority wildlife in shrub-steppe areas burned in the 2020 fires in Douglas, Okanogan, and Lincoln counties. Through a steering committee structure; WDFW, SCC, and the Department of Natural Resources (DNR), collaborated to develop a wildlife friendly fencing program that is being implemented by conservation districts in the 2020 burned areas.

By funding this request and providing direct appropriation of wildlife friendly fencing funds to SCC will provide greater efficiency in implementing this program, enable momentum to continue for an effective program that was established in 2021. The Wildlife Friendly Fencing program will still be guided and directed under the WSRRI steering committee and established processes and procedures. For the FY23-25 biennium, we recommend a direct appropriation of the WSRRI – Wildlife Friendly Fencing funds to SCC to continue this critical field recovery work throughout Washington's shrub-steppe ecosystem, with reduced administrative burdens or delays.

As a conservation district working to directly implement WSRRI projects, we will continue to support WSRRI by mobilizing funds to achieve benefits on the ground. We look forward to working with WDFW, SCC, DNR, other conservation districts, and many other partners in a streamlined and more efficient program that provides direct response to the needs of wildlife and people, after and before catastrophic wildland fires.

Sincerely,

Ryan Lefler

Natural Resource Specialist

Foster Creek Conservation District



## Lincoln County Conservation District

August 18, 2022

Dear Myral Baldini & Jennifer Masterson,

I'm writing on behalf of the Lincoln County Conservation District (LCCD) and its Board of Supervisors. LCCD fully supports the Washington State Conservation Commission's (SCC) administering of funds for the Decision Package Title: Washington Shrub steppe Restoration and Resiliency Initiative –Wildlife Friendly Fencing. This program is currently being administered by the WA Department of Fish and Wildlife (WDFW) with the SCC contributing to the cost share funding distributing and outreach. When natural disasters such as wildfires occur, funds for recovery assistance need to be secured and implemented quickly. Landowners in need of financial assistance were delayed due to extra administrative processes required by WDFW to initiate the funding. I support SCC having sole administration over the Washington Shrub steppe Restoration and Resiliency Initiative –Wildlife Friendly Fencing with other entities as partners. SCC has a history of handling cost share projects funds punctually and efficiently. In addition to having knowledgeable staff, SCC already have a system in place for administering data collection, cost share contracts, procedure and policy manuals, and interlocal agreements. SCC has demonstrated their abilities managing existing and successful wildfire fire recovery programs that are both need-based and recurring. This year in Lincoln County alone, the SCC administered \$196,427.32 in wildlife recovery funds.

I confidently support the SCC gaining full administration of the Decision Package Title: Washington Shrub steppe Restoration and Resiliency Initiative –Wildlife Friendly Fencing. Thank you for your consideration; I look forward to continued partnership with the SCC in all their efforts.

Sincerely,

Elsa Bowen  
District Manager



State of Washington  
DEPARTMENT OF FISH AND WILDLIFE

Mailing Address: PO Box 43200, Olympia, WA 98504-3200 · 360 902-2200 · TDD 360 902-2207  
Main Office Location: Natural Resources Building, 1111 Washington Street, Olympia, WA

September 1, 2022

Jennifer Masterson  
Senior Budget Assistant, Capital  
Myra Baldini  
Capital Budget Assistant  
Office of Financial Management  
P.O. Box 43113  
Olympia, WA 98504-3113

Re: Washington Shrubsteppe Restoration and Resiliency Initiative – Wildlife Friendly Fencing

Greetings Ms. Baldini and Ms. Masterson:

I am writing to express the full support of the Department of Fish and Wildlife (DFW) for the State Conservation Commission's (SCC) capital request of \$1.5 million direct appropriation to support the installation of wildlife friendly fence in shrubsteppe landscapes through the Washington Shrubsteppe Restoration and Resiliency Initiative (WSRRI).

SCC's request strengthens the legislature's 21-23 investment in shrubsteppe wildlife and wildfire recovery. WSRRI is led collaboratively by a DFW, SCC, and Department of Natural Resources (DNR) steering committee and is informed and advised by the diverse interests of Washington's shrubsteppe landscape, including Tribal entities and public and private partners.

WSRRI's primary purpose is to benefit Washington's shrubsteppe wildlife, such as the iconic greater sage-grouse and the diminutive Columbia basin pygmy rabbit, while recognizing and acknowledging the shared benefit to human communities. These shrubsteppe species and habitats are threatened with increasing frequency and intensity of wildland fire. Through WSRRI we are helping create a more fire-resilient shrubsteppe landscape and providing resources and services to support restoration efforts to landowners impacted by wildland fire.

An important resource provided through WSRRI is support for landowners to replace burned fences with versions that minimize negative impacts to wildlife and are more resilient to wildland fire, including the innovative technology of virtual fence. Virtual fence brings many benefits including covering large areas for less cost than traditional fencing, ability to manage livestock easily and precisely, and completely removes the wildlife impacts of traditional fences.

The 21-23 capital funding to support this effort was provided to WDFW who passed the wildlife-friendly fencing funds to SCC for implementation. Making a direct appropriation to SCC in 23-25 will streamline the process, creating efficiencies and increasing WSRRI's ability to respond to landowners in a timely way.

WDFW is proud of the strong collaboration with SCC and DNR on this work and looks forward to future years of providing much-needed support to working lands and wildlife in Washington's shrubsteppe. We recommend direct appropriation of the WSRRI – Wildlife Friendly Fencing funds to SCC for the 23-25 Biennium to continue this important work.

My best,



Hannah Anderson  
Wildlife Diversity Division Manager  
WSRRI Steering Committee

Cc: Shana Joy, WSCC District Operations & Regional manager Coordinator,  
Southeast Regional Manager  
Allisa Carlson, WSCC Southcentral Regional Manager  
Allen Lebovitz, WDNR Wildland Fire and Forest Resiliency Liaison,  
Chair, Washington Wildland Fire Advisory Committee  
Tom McBride, WDFW Legislative Director  
Janet Gorrell, WDFW Landscape Conservation Section Manager

## BN 21-23 Shrubsteppe Proviso

### Operating budget final proviso language (on-going funding)

(x) \$1,175,000 of the general fund-state appropriation for fiscal year 2022 and \$1,175,000 of the general fund-state appropriation for fiscal year 2023 are provided solely for the department to restore shrubsteppe habitat and associated wildlife impacted by wildfires.

(a) This funding is intended for the restoration of habitat on public lands as well as private lands by landowners who are willing to participate. The restoration effort must be coordinated with other natural resource agencies and interested stakeholders.

(b) Restoration actions may include: 1) increasing the availability of native plant materials; 2) increasing the number of certified and trained personnel for implementation at scale; 3) support for wildlife-friendly fencing replacement; 4) support for private landowners/ranchers to defer wildland grazing and allow natural habitat regeneration; 5) species-specific recovery actions.

(c) The department must submit a progress report to the appropriate committees of the legislature on the investments made under this subsection by December 1, 2022, with a final report submitted by September 1, 2023.

(d) Within the amounts appropriated in this subsection, \$250,000 must be used by the department to form a collaborative group process representing diverse stakeholders and facilitated by a neutral third-party to develop a long-term strategy for shrubsteppe conservation and fire preparedness, response, and restoration to meet the needs of the state's shrubsteppe wildlife and human communities. The collaborative may serve as providing expertise and advice to the Wildland Fire Advisory Committee administered by the department of natural resources and build from the Wildland Fire 10-year Strategic Plan. Components to be addressed by the collaborative include the restoration actions described in (b) of this subsection and on spatial priorities for shrubsteppe conservation, filling gaps in fire coverage, management tools to reduce fire-prone conditions on public and private lands, and to identify and make recommendations on any other threats. Any reports and findings resulting from the collaborative may be included in the report specified in (c) of this subsection.

[Capital Request Info \(one-time funding\)](#)

This \$1.5 million project will allow for funding to be provided to public and private landowners to rebuild wildlife-friendly fences impacted in impacted and prioritized areas. This program is not phased.

The Department's shrubsteppe recovery committee, authorized in the operating budget, will guide distribution of the Cooperative Wildlife Fencing funding under this capital budget proviso. Funding will be provided to public and private entities to rebuild wildlife-friendly fences in prioritized areas impacted by wildfires. This will benefit the critical habitats required for endangered and threatened species, allowing those habitats to recover undisturbed. Furthermore, it will benefit private landowners whose fencing was destroyed by the fires, allowing them to construct new fencing to continuing grazing livestock on their lands. We anticipate that over 125 miles of wildlife-friendly fencing will be installed with these funds. This fence will support wildlife values and ranching communities in eastern Washington by facilitating sustainable grazing and wildlife movement and migration. We will track the miles of fence installed on public and private lands.



# TAB E

## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000022	<b>Project Title:</b>	Natural Resource Investments (NRI)

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.

## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000024	<b>Project Title:</b>	Farmland Preservation and Land Access

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.

## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000025	<b>Project Title:</b>	Irrigation Efficiencies

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.

## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000029	<b>Project Title:</b>	Shellfish

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.

## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000026	<b>Project Title:</b>	Regional Conservation Partnership Program (RCPP)

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.

## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000023	<b>Project Title:</b>	Conservation Reserve Enhancement Program

(CREP Cost Share & TA)

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.

## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000021	<b>Project Title:</b>	Voluntary Stewardship Program (VSP)

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1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.



## Expected Use of Bond/COP Proceeds

<b>Agency No:</b>	4710	<b>Agency Name</b>	State Conservation Commission
<b>Contact Name:</b>	Sarah Groth		
<b>Phone:</b>	(360) 790-3501	<b>Fax:</b>	(360) 407-6215
<b>Fund(s) Number:</b>	057	<b>Fund Name:</b>	State Building Construction Account
<b>Project Number:</b>	40000028	<b>Project Title:</b>	Shrubsteppe

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments?  Yes  No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments?  Yes  No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments?  Yes  No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency?  Yes  No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?  Yes  No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes?  Yes  No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as
  - a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
  - b. any nonprofit corporation (including any 501(c)(3) organization); or
  - c. the federal governmental (including any federal department or agency). Yes  No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments?  Yes  No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes?  Yes  No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)?  Yes  No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.