Washington State Conservation Commission
Progress Report on HB 1785
April 10, 2002

DRAFT

Kristin Bettridge
Administrative Manager
Washington State Conservation Commission
(360) 407-6209

Section I: Overview

Conservation District Water Quality Grant Program

The purpose of the Conservation District Water Quality Grant program is to address non-point water pollution caused by agricultural practices. Per RCW 89.08.410 the State Conservation Commission may authorize grants to Conservation Districts from monies appropriated to the Commission for such purposes as provided within this section. The eligible applicants are Conservation Districts, who provide education and outreach activities, direct technical assistance to farmers and cost share for implementation of agricultural best management practices to control water pollution. Water Quality Grants must be matched by the participant one dollar of cash or in-kind contributions for every nine grant dollars (10% match requirement) by the Districts. Funding has been appropriated for this grant from the Water Quality Account as follows (note these figures do not include carry forward appropriations, only new):

1997-1999	$5,000,000
1999-2001	$5,000,000
2001-2003	$3,500,000

The history of this grant program has been to award equal amounts to all eligible conservation districts to address their respective non-point water pollution activities. This practice will be changed as a result of implementing 1785.

Dairy Waste Management Grants

DRAFT

The purpose of the Dairy Waste Management Grants is to address water quality degradation caused by dairy farms and assist in the success of dairy farm compliance with water quality regulations. The Commissions granting authority is found under RCW 89.08, however the program is set up in statute under RCW 90.64. The RCW requires that every Washington State licensed dairy facility have a developed and fully implemented Nutrient Management Plan in place by December 31, 2003. There are currently 650 licensed dairy producers in the State. Conservation Districts are responsible for approving and certifying dairy nutrient management plans for dairy producers. In addition to the development of these plans through Technical Assistance Grants, the Conservation Districts also award cost share to dairy producers for the implementation of the items in the plan. Funding has been appropriated for this grant from the Water Quality Account as follows (note these figures do not include carry forward appropriations, only new):

1997-1999	$3,000,000
1999-2001	$5,500,000
2001-2003	$5,500,000

Currently, some Conservation Districts apply an environmental benefit scoring to those producers who request assistance, however many of the Districts rank on a “first come, first serve” basis in recognition that all dairies need help protecting water quality. When funding through the Commission becomes available, those applications that were previously ranked are submitted to the Commission for consideration of funding.

Conservation Reserve Enhancement Program

The Conservation Reserve Enhancement Program (CREP) is a federal-state partnership and an integral part of the state's salmon recovery strategy for agriculture. CREP is a voluntary program in which landowners located along streams important to the salmon lifecycle enroll the riparian area into 10-15 year contracts. The purpose is to then replant the area to native trees and shrubs, exclude cattle and in return, the landowner receives annual rental payments and financial assistance in the form of cost share to rehabilitate the riparian area. Funding is divided between the state and federal government. The Commission's granting authority to Conservation Districts and program authority is found under RCW 89.08. Rental payments and 90% of the financial assistance is paid by the federal government (USDA, Farm Service Agency) and 10% of the financial assistance is paid by the state along with 100% of the maintenance of the buffer for the first five years of the contract. The program's goal is to enroll 10,000 stream miles statewide. After an extremely slow start to the program, we have seen interest and enrollment skyrocket in many areas of the state. The limiting factors to continued success will be the availability of Technical Assistance funds for Conservation Districts to design and implement the habitat management plans for landowners, and to manage the cost share agreements with the land owners. Funding for technical assistance has been appropriated from General Fund State (Operating Budget) as follows:

1997-1999	$1,000,000
1999-2001	$2,000,000
2001-2003	$2,000,000

DRAFT

However the 2002 supplemental reduces the current biennium appropriation by $100,000.

Funding for the cost share portion has been primarily appropriated from the State Building Construction account (note these figures do not include carry forward appropriations, only new).

1997-1999	$5,000,000
1999-2001	$
2001-2003	$1,000,000

Due to an extremely slow program start up, no new appropriation was needed in 99-01 because of the re-appropriation amount available from 97-99

Section II: Program Implementation of HB 1785

Consulting with affected interest groups and grants recipients

The Conservation Commission formed a Commission Grants Policy Advisory Committee (CGPAC) to address the implementation of HB 1785. The CGPAC is comprised of 2 District Supervisors and 2 District staff persons from the west, central and east regions of the state, for a total of 12 District representatives. The Commission Field Operations Managers recommended the district representatives with the goal of having representation from both large and small districts, as well as broad regional representation since the activities of districts vary greatly with topography. Commission staff and NRCS staff also participated on this workgroup. Full day meetings took place in Ellensburg, Washington on December 13, 2001 and January 24, 2002.

Pierce Conservation District Manager, Monty Mahan was appointed as Chair for this committee. After reviewing the legislation, the key issues the CGPAC felt they had within their purview to address were:

- Developing outcome based performance measures for the CREP, Dairy Waste Management and Water Quality grants for effective program management and performance assessment.
- Development and utilization of Statement of Environmental Benefits (SEB) in the prioritization and selection process.

Although section 2 of the legislation states, *"OFM and the governor's salmon recovery office shall assist natural resource-related agencies in developing recommendations for a monitoring program to measure outcome focused performance measures required by this section. The recommendations must be consistent with the framework and coordinated monitoring strategy developed by the monitoring oversight committee,"* the work of the Monitoring Oversight Committee (MOC) had not been completed, and thus the CGPAC could not address a coordinated monitoring strategy at that time. It was very unclear how explicit this "framework" may be.

The risk of added workload was the greatest concern to the constituents, since no funding was appropriated with this legislation to cover additional workload that may be associated with monitoring and reporting. Thus, the CGPAC made it their goal to create an implementation plan that not only would meet the legislative intent of HB 1785, but also would not increase the workload for Districts, most of whom are already faced with resource shortfalls to meet current local needs.

DRAFT

With the cross section of district representation, there was a lot of very productive discussion on the varying activities and challenges across the state. The plan was for this committee to put together recommendations for the three named grant programs, and have the CGPAC Chair present these recommendations to the Conservation Commission at their March meeting. The GPAC began with putting together a program logic model for each of the three named grants. This was very helpful in clarifying program elements. Water Quality grants proved to be the most challenging of the three, due to the broad usage of the grant statewide.

Following the second meeting in Ellensburg, the Chair worked with Commission staff to write up the proposal for 1785 implementation that was presented to the Commission on March 22, 2002. The Commission accepted those recommendations with the understanding that the exact language for outcome based performance measures will be drafted with input from all constituents and key stakeholders. The CGPAC recommendations, once approved by the Commission were presented to District staff statewide through informational/training sessions. The training portion of these presentations revolved around outcome based planning, evaluation and measurement, as well as use of a logic model. District staff filled out surveys on this presentation, and all responded very positively to the information they were provided, and said they found it useful.

Coordination with other natural resource agencies

Commission staff participated on an interagency workgroup that has met a couple of times face to face, but has primarily communicated by e-mail. Thank you to Heidi Siegelbaum of the Department of Ecology, for keeping the communication flowing, and putting workgroup meetings together. The workgroup shared information about legal ramifications, training and evaluation contractors that can help us define performance measure systems, outcome measures and logic models. We were fortunate to have been able to examine other jurisdiction's approach to outcome funding and performance based contracting.

This workgroup is planning to meet again in May 2002, where hopefully further discussion and coordination can take place regarding performance measures. Commission staff will continue to monitor the progress reports of the 5637 workgroup, and plan to incorporate final results of this legislation into our grants program.

Outcome based performance measure development

Water Quality Grants

Below is the logic model that aids in understanding the goals for outcome based performance measures.

	Level II	Level III	Level IV
	Implementation Fencing BMP's Habitat Restoration Farm Plans	*Intermediate Outcomes* **Monitored Improvement** **Implicit Improvement**	*Intermediate Outcomes* Habitat Area Preserved/Enhanced Water Quality Improved/Protected
Level I *Organizational Capacity* Leveraging Staff Development Collaboration Administration			***Statement of Env Benefit should revolve around Level IV outcomes***
	Education & Outreach Workshops Demo's Site Visits Events Publications Habitat Conservation Plans	*Intermediate Outcomes* **Surveyed Results**	*Intermediate Outcomes* Behavioral Changes Leads to implementation Education

DRAFT

The goal is to produce outcome based performance measures that districts have the ability to monitor and report on. The Level III Intermediate Outcomes from above not only have the benefit of being measurable by districts, but also meet the intent of the legislation. The Districts will be required to identify and report to the Commission on at least one performance measurement. As shown, the general concept of the outcome measurements are known at this time, however specific language still requires review and input by constituents.

The CGPAC Chair will work with Commission staff to put together appropriate performance measure statements that will then be reviewed by all constituents and stakeholders.

Surveyed results associated with education and outreach will be broken down into two measurements, one relating to increasing consumer knowledge as a result of an educational

forum, with the goal of sustaining behavioral changes, and one relating to number of the new landowners signing on with districts to implement plans as a result of a forum.
The major changes in performance measurements for this program are changing from output measures to outcome. For example, a former measure of this program was the number of landowners receiving assistance. These changes will allow for better program management, as the reporting will focus on attained results. As this data is gathered over time, these measurements should prove to be a good indicator of program performance. We anticipate the use of past performance history as a factor in scoring future individual grant applications.

Dairy Waste Management
Performance measures on achieving these goals are relatively easy to measure. Monitoring, however, is limited by the number of dollars that are available. This lack of funds is the major barrier as well as the number of dairy operators that can be assisted in a year.
The Performance Measures for the Dairy section of 1785 will be:

(1) Percentage of dairies with plans approved by the Conservation Districts

(2) Percentage of dairies with plans certified by the Conservation District.

The justification for these measurements is due to the fact that "approved" means the plan has been developed for the producer outlining all water quality measures necessary for compliance and "certified" means that the dairy producer has completed the installation of all items outlined in the plan and has complied with the requirements of RCW 90.64.

DRAFT

Once again, as a result of this legislation the Commission will focus measurements on the primary goals of the program – 100% of dairies in the State of Washington to have approved and certified plans. We will change the reporting to percentages rather than numbers, and eliminate outputs such as Dairy Operators Assisted, best management practices installed or hours of technical assistance. It should be recognized that are certain elements of implementing the requirements of 90.64 that are outside the Districts control, such as whether or not a producer makes contact with a District to formulate a Nutrient Management Plan.

CREP
It is our hope that the work of the SB 5637 groups will enable a coordinated use of resources and data for districts, and not result in extensive requirements for a new protocol and monitoring program that district do not have adequate resources to undertake.

Due to the current data available for the Conservation Districts and the Commission, reporting performance measures under this program is relatively easy. The chosen performance measures include:

(1) Number of stream miles enrolled in the program.

(2) Number of acres enrolled in the program.

Changes in performance measures for this program were again changed from output reporting such as number of landowners, number of district contracts. We feel the outcome measurements we will now address focus on the primary goals of the program at this time. Should other data and monitoring resources become available to the Commission and Districts through other entities, additional more scientific measurements may be added in accordance with SB 5637.

Incorporating environmental benefits in prioritization and selection

Water Quality Grants

The SEB's that Districts will now be required to provide in their grant applications will revolve around Level IV Intermediate Outcomes. The Commission staff will provide sample SEB statements in the application packets for the July 1, 2002 grant period. In the history of this grant, equal funding has been given to each district. Abiding by 1785 in setting up a prioritization process is a major change for Districts. Taking this into consideration the CGPAC recommended that the Commission and Districts have a "dry run" when funding is allocated for the period beginning July 1, 2002. Districts will write their grant applications using the SEB, rankings and results will be reported. However, funding will be released in equal portions on July 1, 2002. This "dry run" will give Districts an opportunity to learn from, and to improve their ability to formulate an improved strategy for when this prioritization process is fully implemented on July 1, 2003.

Commission staff is rewriting the Water Quality Grants application to incorporate SEB's. We will be working with CGPAC members in finalizing this new application.

In order to fully abide by the legislation, the following are the CGPAC recommendations for selection and prioritization:

DRAFT

- Since activities vary regionally, rankings will take place for each of the three regions of the state; west, central and east.
- The ranking committee from each region will be comprised of one representative from each member District (selected by that District's Board of Supervisors) who will not be allowed to score their own district proposal. This committee will be facilitated by one or two Commission Staff.
- There will be two levels of awards; the first level will include those districts with only education and outreach components of their environmental benefit. Given the primary intent for this funding is implementation, the second and higher award level will be for those that have education and outreach, as well as implementation, or those primarily addressing implementation.
- Once it is known how many fall into each of the two categories from the three regions, award amounts will be set for each category ensuring the total appropriation is utilized.

All of these are changes to the application and awarding system for the Commission's Water Quality Grants program.

Dairy Waste Management

Currently, many Conservation Districts apply an environmental benefit scoring to those producers who request assistance. The understanding of the members of CGPAC was that all Districts were applying an environmental benefit scoring to applicants. It was not until the

recommendations were taken to District staff for 1785 information/training sessions that this was found not to be true for all Districts. Due to the volume of Dairies and the time constraints, many districts have ranked producers on a first come first serve basis, knowing that all dairies will need to comply by December 31, 2003. All Districts with Dairies will work with Commission program staff to formulate a universal environmental benefit ranking system. Copies of the ranking forms will be submitted with application for funding by the districts.

CREP

During the previous years of the program, Districts submitted their request for Technical Assistance for the CREP program on an annual basis. For these grant applications, little scientific or environmental benefit was used in distributing funds. Primarily, it was based upon the projects and landowners that the District anticipated undertaking.

For this cycle (02-03), the Grant Application was changed dramatically. It evolved from a majority of narrative based items to a direct environmental/current contract based evaluation. Since this program is an integral part of the state's salmon recovery strategy, it was important to recognize the benefits that this program can provide to enhance and improve salmon habitat on agricultural lands across the state. The Environmental Benefit Scoring section outlined below will be used in conjunction with the Districts current CREP contracts in place and the scores secured within that section.

Environmental Benefit Scoring

Category	Number	Action	Result
Number of CREP Contract in place that comprise contiguous stretches of stream.		**Multiply by 10**	
Miles of contiguous buffers, represented by individual, implemented CREP Contracts.		**Multiply by 7**	
Number of initiated CREP Contracts in place on April 30, 2002 that will represent contiguous contract if completed.		**Multiply by 5**	
Number of miles represented by those initiated contracts above.		**Multiply by 3**	
		SUBTOTAL	

The Conservation Commission fully recognizes that by utilizing a system that bases awards upon Environmental Benefit Scoring as illustrated above and the second phase of the application where higher scores are awarded for those who have present CREP contracts will result in some Districts not being awarded a Technical Assistance Grant for 02-03. While this is certainly a significant change from earlier years in this program, it complies with the intent of HB 1785 and the investment strategy necessary.

Agency recommendations for a monitoring program

The CGPAC greatly deliberated over this issue. With limited resources for monitoring, the CGPAC chose to focus on intermediate outcome measures for which the Districts could easily claim ownership, that also reflect goals of the programs legislative intent. As the Commission and Districts gain more experience with the changes in reporting, and upon completion of the SB 5637 report, we anticipate that our monitoring strategy may evolve. However, the districts lack of resources for monitoring could continue to be a barrier.

Barriers to fully implementing HB 1785

As stated previously, the major concerns of the Districts primarily revolved around funding and resources that would be associated with an intensive monitoring program. Should the approach taken in these initial stages of HB 1785 implementation be acceptable, this may not be a barrier. We will know more when the final report from the SB 5637 workgroup is complete, and as we receive feedback of our efforts from stakeholders.

Brief overview of efforts in implementing the JLARC report

- *Recommendation* 1 - The Commission continues to input required data elements in the on-line Uniform Environmental Project Reporting System. Commission staff continues to explore the feasibility of linking Commission project reporting format to the UEPRS.
- *Recommendation 2* – The Commission will continue to work with grant recipients to improve reporting. Data is now collected by the Commission in hard copy form, but an on-line grants reporting system is in development stages. The Commission will continue to participate on HB 1785 and SB 5637 workgroups.
- *Recommendation 3* – The Commission is a member of the Monitoring Oversight Committee. We will coordinate with the districts upon completion of the comprehensive monitoring strategy. Resources could be a large barrier for Conservation Districts depending upon the outcome of the monitoring strategy.
- *Recommendation 4* – The Commission has identified investment practices currently missing from each grants program, and will continue to work to incorporate them. However the current budget situation makes this effort more challenging.
- *Recommendation 5* – The Commission plans to continue its work with the Districts beyond implementation of HB 1785. The Commission remains very committed to streamlining grant processes. We will continue to collaborate with other agencies and programs that also grant to Conservation Districts.

DRAFT

Other thoughts/observations/recommendations/etc...

The process for planning implementation of HB 1785 directed and provided the Commission with a wonderful opportunity to include representation from the Conservation Districts on decision making. Though challenging at times, given the tasks, it proved to be a great collaborative experience for both Commission and Districts. We felt it imperative that the representatives of our grant recipients have a very clear understanding of all the aspects of HB 1785, including outcome based planning, evaluation and measurement in order to make the best decisions that they will ultimately be responsible for, when carrying out programs at the local level.

The Commission is very proud of all the activities that Districts provide to citizens and private landowners of this state. Conservation Districts were and are formed at the request of local citizens desiring to help themselves protect the soil and water resources of the state. Working with private landowners, districts provide guidance of state, federal and local agencies, as they deliver their programs and resources. Districts represent true grass roots government where local citizens develop priorities and work cooperatively with government to protect and enhance the

states resource base. Implementation of HB 1785 will provide the Commission great opportunity to reflect in clearer terms, the returns on the public's investment. Beyond reading this report, we encourage legislators to visit their local Conservation District office and become more familiar with the great conservation projects being done in their area. It is impressive to observe how much is accomplished with so little resources.

1. Appendix

Revised 2002 CREP Grant Application

DRAFT