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A NOTICE TO OUR CONSERVATION PARTNERS:

We have not obligated all of our fiscal year 2011 easement program funds and request you submit applications as soon as you are able. You do not need to wait until the entire application package is complete to begin submitting component items (such as the landowner eligibility documents) to NRCS. We have no confirmation that unobligated funds will be “swept” before the end of the fiscal year, and as you know, the return of unobligated funds will adversely impact our 2012 easement program allocation. For additional information on the application, ranking, and funding processes, please read on.

As predicated by the 2008 Farm Bill, NRCS easement programs are now administered through a continuous sign up process which eliminates the “cut off” dates many of you are familiar with. To implement the new business model, NRCS has established minimum ranking thresholds to ensure quality criteria are met and to expedite fund obligation. Although these changes will improve efficiency, the transition has caused some confusion regarding funding timelines and potential impacts to future allocations. I hope to address some of your concerns through this email and strongly encourage you to submit application packages and or their completed components as soon as possible. The following is a synopsis of the new easement business model. It provides some additional insight into the newly developed flow charts found under the programs tab on the NRCS web page at www.nh.nrcs.usda.gov. The flowcharts are program specific, user friendly, and contain live links to all required eligibility forms, ranking sheets, geographic area rate caps (GARCs), and program workbooks. They also provide contact information for the staff member responsible for each specific phase of the application, ranking, and funding process. We hope you find them helpful and welcome your feedback for continued improvement.

Step 1 –Interested landowner(s) contact you to inquire about easement programs. General information (such as the deed language templates, estimated easement value determinations, etc.) is shared and a decision is made by the landowner regarding whether or not to pursue program assistance. If the decision to proceed is made, an application form is completed by the landowner(s). The application form itself (NRCS CPA 1200) requires the landowner(s) to establish farm records with the Farm Services Agency (FSA), as well as to obtain a DUNS (Data Universal Numbering System) and CCR (Central Contractor Registration) if the land is owned by an entity (trust, LLC, Corporation, etc. which is identified by the IRS through an Employee Identification Number, or EIN). Sponsoring entities for the FRPP are also required to obtain a DUNS and to maintain an active CCR registration. **There is no cost associated with these requirements and they can be initiated and completed without the accompaniment of a program application form. If you are assisting a potential applicant, please encourage them to begin this process as soon as they are considering applying for NRCS program assistance.**

Step 2 – Landowner eligibility (which is the same for all easement programs) is certified and cleared. Applicant eligibility requires the landowner(s) to complete an Adjusted Gross Income (CCC-926) forms, Highly Erodible and Wetland Compliance (AD-1026) forms, and a Member (CCC-901) form (if the land is owned by an entity). An ownership deed and maps showing the location of all lands owned and or operated by the applicants (whether those lands are within the proposed easement boundary or not)

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must be submitted to NRCS in order to process these forms. Landowners do not need to wait for a full program application package to be completed before supplying the eligibility forms, map, and ownership deed to NRCS. If you are assisting a landowner in the application process, please encourage them to complete these forms and submit them to NRCS as soon as the decision to apply is made.

Step 3 – Land eligibility (which is unique to each easement program) is certified and cleared. Land eligibility certification for the FRPP requires completion of the entity and parcel workbooks and their required attachments. A complete application package consists of the documents referenced in steps 1 – 3 above, as well as the entity and parcel workbooks, a written pending offer with agreed-to purchase price, documentation of the required Cooperating Entity match, and the SF-1199A (Direct Deposit) with the Cooperating Entity's banking information. A complete application package is required before parcel ranking can occur. Land eligibility certification for WRP includes the 7 year ownership verification and a site visit by NRCS staff to identify resource concerns and develop the preliminary restoration plan. The NRCS Chief has the authority to waive the 7 year ownership requirement. If you are working with an applicant who has not owned the land for the required 7 year period, do not wait until the application process has been completed before submitting the ownership waiver request form to the State Conservationist. This process should be started early and a parcel will not be considered eligible for enrollment until the waiver request is approved.

Step 4 – Once the applicant and land eligibility are cleared, and all required application components are submitted and cleared, the eligible parcels are ranked. Ranked parcels are reviewed monthly. Those meeting the minimum program specific ranking threshold (as set by NRCS and updated each fiscal year) are automatically selected for funding (provided current year funds are available). FRPP funds are obligated in the form of a Cooperative Agreement with the sponsoring entity. WRP funds are obligated through an Agreement to Purchase a Conservation Easement, which is signed by the landowner(s). If current year funds are not available, all ranked parcels meeting the minimum ranking threshold will be held until the end of the month in which additional funds are received, at which point they will be automatically funded as new funds are allocated. All ranked applications not meeting the minimum ranking threshold will be held until July or August of the current fiscal year, at which time they will be funded (with current year funds) beginning with the highest ranked parcel and moving down the list until current year funds are exhausted. If an eligible application is ranked in one fiscal year and not funded until a subsequent year, some eligibility forms (such as the AGI) will need to be updated to reflect the funding year, not the application year. Because the application and funding process are continuous, eligible applications are continually compared to one another and their ranking order shuffled accordingly.

Many of you have asked about "sweep dates" and "regional equity" funds. FRPP is a regional equity program, WRP is not. Each fiscal year FRPP regional equity funds are held in reserve at the national level for qualifying states (of which NH is one) that obligate 90% or more of their initial program allocation before the end of the fiscal year. If a qualifying state meets this obligation requirement and can demonstrate a backlog of unfunded eligible applications, regional equity monies can be used to fund the remaining backlog before the end of the fiscal year (September 30).

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The WRP is not subject to the regional equity provisions of the Farm Bill. In previous years, unobligated WRP funds have been “swept” from states, usually in the 4th quarter of the fiscal year (around July 1), and held in reserve in the national office. These “swept” funds are redistributed (prior to the end of the fiscal year) to those states that can demonstrate a backlog of eligible unfunded applications. **Although there was talk of a 2011 sweep, we have no hard and fast date and are working diligently to obligate all of our allocated easement program funds (both FRPP and WRP) prior to July 1.**

How does all of this impact future year allocations? A national allocation formula is used to determine state funding levels for each program in any given fiscal year. The allocation formula is very complex and considers variables such as historic and prior year obligations, efficiency in program delivery (how many easements did you close on within the given 12 – 18 month period, how many cancellations did you have, how much unobligated money was returned, etc.), whether or not your state qualifies for regional equity, etc. By continuing to accept and process applications monthly, we hope to obligate all of our initially allocated funds, as well as to establish a healthy backlog of quality applications. This will enable us to clearly demonstrate a sustainable future need for easement programs in NH.

If you have questions or need additional assistance, please don't hesitate to contact a member of the easement staff as listed below:

For the Farm and Ranchland Protection Program (FRPP):

Ryan Dubois at ryan.dubois@nh.usda.gov or 868-9931, ext. 124

Sue Knight (formerly Sue Hoey) at susan.hoey@nh.usda.gov or 868-9931, ext. 118

For the Grassland Reserve Program (GRP):

Brooke Smart at brooke.smart@nh.usda.gov or 868-9931, ext. 106

Sue Knight

For the Wetland Reserve Program (WRP):

Jeremy Lougee at Jeremy.lougee@nh.usda.gov or 868-9931, ext. 142

Brooke Smart at brooke.smart@nh.usda.gov or 868-9931, ext. 106

Sue Knight

Thank you for your time and dedication to land conservation and I look forward to working with you.



Rachael Phillips-Tibbetts, Acting Assistant State Conservationist for Programs