

## **Gap Analysis and Sustainable Farms Budget Proviso**

### **Preliminary Progress Report**

Submitted by the WSCC and WSDA

2019-21 Operating Budget Proviso

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Budget provisos were incorporated into the FY20 operating budget for the State Conservation Commission (SCC) (Appendix 1) and Washington Department of Agriculture (WSDA) (Appendix 2) to support efforts by these two agencies to:

1. Perform gap analyses to estimate need for technical assistance and cost-share assistance for existing conservation grant programs; and
2. Develop recommendations that incorporate input from stakeholders for the creation of a grant program aimed at mitigating carbon emissions by improving fossil fuel efficiencies on farms and implementing carbon farming practices.

The SCC staff team leading the proviso implementation conducted our initial meeting with a small group of stakeholders, legislators and agency partners on June 5, 2019, to gain a better understanding of the intent and expectations of the parties with respect to implementation of the proviso. Thus far, the SCC, in collaboration with WSDA, has initiated implementation of the two directives of the proviso:

Funding Gap Analysis. The proviso directs the SCC and WSDA to produce a gap analysis reviewing existing conservation grant programs and completed Voluntary Stewardship Program (VSP) plans to identify what technical assistance and cost-share resources are needed. This task is wide-ranging, and it is difficult to estimate a dollar amount, in part, because only not all counties are enrolled in VSP but all counties have resource concerns that are addressed through conservation grant programs. Moreover, the 27 counties that are participating in VSP are in their five-year implementation stage and Individual Stewardship Plans (ISPs) are still being developed. SCC staff is SCC staff is working on a layered GIS approach using ArcMap 10.6 to:

1. Determine what and where the statewide resource concerns are;
2. Identify the most frequently used Best Management Practices (BMPs) to address those concerns indicated in the ISPs that are implemented through existing conservation grant programs;
3. Calculate the number and acreage of privately owned agricultural and forest land parcels occurring within each conservation district for which ISPs could be developed; and
4. Estimate a dollar amount if these parcel owners were to implement those suggested BMPs via existing conservation programs, if they have not already done so.

This model is being calibrated by integrating existing data from the 27 county VSP plans, including number of producers, outreach efforts, and activity since 2011 along with other historical data.

Recommendations for a farm and fields program. The proviso also directs the SCC, in collaboration with the WSDA, to gather input from agricultural and environmental stakeholders and develop recommendations for a farm and fields program that would reduce agricultural greenhouse emissions and increase carbon sequestration practices, while complementing existing conservation programs. These efforts will focus on how project funding can best be keyed to serve the greatest needs. The objective is to help the state make the right kinds of natural resource investments to provide multiple benefits in the right places – to reduce greenhouse gas emissions and increase the quantity of carbon stored on working lands while also supporting agricultural viability and addressing pressing water quality, habitat and soil health concerns.

We reported on the proviso gap analysis, challenges of estimating ISP costs, and proposed methodology at the August 7 VSP joint Technical Panel & Statewide Advisory Committee. There was consensus that developing a cost to implement existing and anticipated ISPs would be challenging, and there was interest in learning more about the process to quantify that number via spatial and economic analyses. We will be providing updates at subsequent state VSP meetings.

We anticipate convening a second, larger stakeholder meeting between late August and early September to first discuss the gap analysis and then to seek input from stakeholders about their visions of a new farm and fields program. We will distribute an online survey to all stakeholder members beforehand so that feedback and suggestions can be submitted in advance by members who are unavailable to meet in person.

A final meeting will be scheduled later in the fall to review gap results and cumulative recommendations for a farm and field program. The hope is that open dialogue with all partners will allow us to make recommendations that could result in a proposed grant program that garners support from the environmental and agricultural community. A steering committee consisting of 7-8 stakeholders plus SCC and WSDA staff will meet in advance of upcoming meetings to set the agenda and goals.

Because of the short turnaround to produce this report, SCC and WSDA will use the combined \$30K to: contract a consultant to help gather, manage, and analyze spatial data and existing VSP plan data, estimate technical assistance and BMP implementation costs associated with VSP ISPs; conduct stakeholder meetings; and to produce the final report, which is due November 1, 2019. The proviso directives are subject to the availability of funds appropriated, and the cost of work items listed far exceeds the \$30K provided to the SCC and WSDA. While the collaborating agencies will work with stakeholders to meet the proviso deliverables, the agencies don't have ready access to additional funds to supplement this work beyond funding provided.

## **Appendix A**

WSSC BMP Gap Analysis and Sustainable Farms Grants Budget Proviso|  
2019-21 Operating Budget (Section 306(5), p. 227 in ESHB 1109.SL)

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(5) \$20,000 of the general fund—state appropriation for fiscal year 2020 is provided solely for the following activities:

- (a) The commission and the department of agriculture must produce a gap analysis reviewing existing conservation grant programs and completed voluntary stewardship program plans to identify what technical assistance and cost-share resources are needed to meet the requirements placed on those activities by the legislature.
- (b) (i) The commission, in collaboration with the department of agriculture, must develop recommendations for legislation or additional work that may be needed to implement a sustainable farms and fields grant program that prioritizes funding based on net reduction of greenhouse gas emissions on farm, aquatic, or ranch lands, including carbon sequestration.  
(ii) The recommendations must incorporate the gap analysis required by this section. The recommendations must include information about how the grant program can complement and avoid competing with existing conservation programs, and provide cost share benefits to existing and new programs designed to improve water quality, critical habitats, and soil health and soil-health research on farm, aquatic or timber lands.  
(iii) The recommendations must be developed with input from stakeholder meetings with representatives from the environmental and agricultural communities.
- (c) The commission and the department of agriculture must provide an update to the appropriate committees of the legislature by August 1, 2019, and final recommendations by November 1, 2019.

## **Appendix B**

WSDA BMP Gap Analysis and Sustainable Farms Grants Budget Proviso|  
2019-21 Operating Budget (Section 309(14), p. 242 in ESHB 1109.SL)

(14) \$10,000 of the general fund—state appropriation for fiscal year 2020 is provided solely for the following activities:

- (a) The department and the conservation commission must produce a gap analysis reviewing existing conservation grant programs and completed voluntary stewardship program plans to identify what technical assistance and cost-share resources are needed to meet the requirements placed on those activities by the legislature.
- (b) (i) The department, in collaboration with the conservation commission, must develop recommendations for legislation or additional work that may be needed to implement a sustainable farms and fields grant program that prioritizes funding based on net reduction of greenhouse gas emissions on farm, aquatic, or ranch lands, including carbon sequestration.  
(ii) The recommendations must incorporate the gap analysis required by this section. The recommendations must include information about how the program can complement and avoid competing with existing conservation programs, and provide cost share benefits to existing and new programs designed to improve water quality, critical habitats, and soil health and soil-health research on farm, aquatic, or timber lands.  
(iii) The recommendations must be developed with input from stakeholder meetings with representatives from the environmental and agricultural communities.
- (c) The department and the conservation commission must provide an update to the appropriate committees of the legislature by August 1, 2019, and final recommendations by November 1, 2019.