

**COST SHARE COMMITTEE COST SHARE PROGRAMS RULES RECOMMENDATIONS**  
*Concepts Approved by Consensus of the Soil and Water Conservation Commission*  
 March 16, 2016

Since May 2013, the Cost Share Committee has been discussing how to revise and improve Soil and Water Conservation Commission Cost Share Program rules. These discussions have included district input through surveys and district meetings in all eight areas of the state. As part of G.S. 150B-21.34, all rules must be readopted, and Cost Share Program rules are scheduled to begin this process at the July 2016 Soil and Water Conservation Commission meeting.

The committee has prepared the following recommendations for Commission consideration. The concepts in this document were approved by consensus of the Soil and Water Conservation Commission during their March 16, 2016 meeting. Commission members shared guidance on several items presented so that the Committee can prepare rule changes according to the Department’s approved schedule:

<b>Action</b>	<b>Date</b>
SWCC will vote to approve the report so that it can be posted on the Department’s and Office of Administrative Hearing’s (OAH) websites. SWCC will make an initial determination to classify each rule as unnecessary; necessary without substantive public interest; or necessary with substantive public interest. <i>The Committee will recommend that all Cost Share Program rules be considered necessary with substantive public interest.</i>	July 2016
SWCC accepts public comment on the classification of rules for 60 days.	August 31 – October 31, 2016
Commission makes determination classifying each rule in the final report after consideration to public comment as unnecessary, necessary without substantive public interest or necessary with substantive public interest.	November 2016
Final approval from Rules Review Commission, then begin official stakeholder process and public comment period.	January 2017
Stakeholder process and public comment period.	January – February 2017
SWCC approves the start of the rule making process.	March or May 2017
Public comment period on rule revisions.	April/June-May/July 2017
SWCC approves final rules.	July/September 2017
Rules Review Commission approves rules & rules effective ( <i>allocation rules will be used the next fiscal year</i> )	Fall/Winter 2017

## **RULE ORGANIZATION AND FORMAT**

All Soil and Water Conservation Commission Cost Share Programs will be found in the Agriculture Cost Share Program Rules (02 NCAC 59D). The Purpose Rule (02 NCAC 59D.0101) will include:

- A. Agriculture Cost Share Program;
- B. Community Conservation Assistance Program; and
- C. Agricultural Water Resources Assistance Program.

Our goal with this format is to allow the addition of new programs, should they become available, by requiring the opening of the Purpose Rule and proposing a new separate allocation rule for the new program. This step will improve efficiency by having all program rules in one location, and reduce redundant rules that appeared in multiple places.

The Committee anticipates the new rule structure to look similar to the following:

02 NCAC 59D .0101 PURPOSE

02 NCAC 59D .0102 DEFINITIONS FOR SUBCHAPTER 59D

02 NCAC 59D .0103 ALLOCATION GUIDELINES AND PROCEDURES FOR THE AGRICULTURE COST SHARE PROGRAM

02 NCAC 59D .0104 ALLOCATION GUIDELINES AND PROCEDURES FOR THE COMMUNITY CONSERVATION ASSISTANCE PROGRAM

02 NCAC 59D .0105 ALLOCATION GUIDELINES AND PROCEDURES FOR THE AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM

02 NCAC 59D .0106 BEST MANAGEMENT PRACTICES ELIGIBLE FOR COST SHARE PAYMENTS

02 NCAC 59D .0107 COST SHARE AND INCENTIVE PAYMENTS

02 NCAC 59D .0108 TECHNICAL ASSISTANCE FUNDS

02 NCAC 59D .0109 COST SHARE AGREEMENT

02 NCAC 59D .0110 DISTRICT PROGRAM OPERATION

## **COST SHARE PROGRAM ALLOCATION AND GUIDELINES RULE SUGGESTIONS**

### **Agriculture Cost Share Program:**

- Revise data sources from North Carolina Agricultural Statistics to US Census of Agriculture to include more types of commodities and acreage and animals grown in each county.
- Revise impaired waters and special watersheds parameters using best data to account for agricultural areas.
- Combine the performance parameters into one with the same combined weight. Instead of measuring amount encumbered and amount expended; the new parameter would be the amount of program funds installed for BMPs in a set period of time.

### **Community Conservation Assistance Program:**

- Add the ability of the Commission to specify the amount of funding available for regional and district allocations in the annual CCAP Detailed Implementation Plan.
- Revise data sources in the rule to reflect best available data.
- Add text to include *The Commission may consider additional factors as recommended by the Division of Soil and Water Conservation when making their allocations.*

\*Staff is working on revisions to this rule according to an expedited schedule based on Commission request. This means that this rule will be opened and acted upon earlier; but will be reopened again during this formal process due to the rule organization and format changes. *Revisions to text of the*

*existing rule will be presented for consideration at the May 2016 Commission meeting, with the request to start the rule making process. It is anticipated that the revised rule could be effective by December 1, 2016.*

#### **Agricultural Water Resources Assistance Program:**

- Revise data sources from North Carolina Agricultural Statistics to US Census of Agriculture to include more types of commodities and acreage and animals grown in each county.
- Revise weights of parameters.
- Add text to include *The Commission may consider additional factors as recommended by the Division of Soil and Water Conservation when making their allocations.*

#### **TECHNICAL ASSISTANCE RULE IDEAS FOR CONSIDERATION**

- Consider paying for performance instead of a position
- Minimum technical assistance (TA) allocation = \$20,000/year
  - Districts would receive funding above \$20,000 based upon the amount of funding spent on BMPs in their county, compared to the total amount spent in the state.
- Performance is based on dollars spent on BMP installed in each county:
  - Weight ACSP, CCAP & AgWRAP BMP expenditures at 100%, excluding engineering costs
  - Weight NRCS BMP expenditures at 50%
  - Weight grant funds expenditures at 50%
    - Committee is currently developing a matrix to determine eligibility
    - Must be for water quality or quantity BMP implementation
    - District must have provided TA for BMPs installed
    - Grant projects outside of matrix eligibility to be determined by the Cost Share Committee
- The allocation would be determined every three years, unless there is a significant change in state appropriations, based on the district's performance during the best three of the last 7 fiscal years.
- When allocations will be decreased, districts will receive notice of the new allocation amount one year in advance.
- If a district is not spending more from state cost share programs on BMPs than they receive for TA, they must account for and justify why they should continue to receive TA support.
  - The average of the last three years will be calculated when master agreements are completed.
  - The Commission will have the ability to reduce or defer TA funding.
- Retain the JAA requirement approved by Commission in 2010 in addition to the performance data.
  - *All technical district employee(s) shall obtain Job Approval Authority for a minimum of two best management practices from the Commission or the USDA Natural Resources Conservation Service within two years of being hired or within two years of the effective date of this rule, whichever is later. At least one of the best management practices for which the employee has obtained Job Approval Authority must be a design practice.*

*Design practice means an engineering practice as defined by the Natural Resources Conservation Service or the Community Conservation Assistance Program Detailed Implementation Plan.*