

Cost Share Committee Meeting Minutes: May 18, 2026

I. Welcome and Introductions

Patrick Baker welcomed the group and asked for this to be a problem-solving committee. Committee members introduced themselves. All members were in attendance: Patrick Baker, Rodney Taylor, Jason Byrd, Blake Henley, Rick McSwain, Lee Holcomb and Julie Henshaw. Other attendees included: David Williams, John Beck, and Darren Layton.

II. Purpose and charge of the committee

Purpose: The Cost Share Committee was established to review and evaluate policies that affect multiple cost share programs. The Committee ensures consistency, clarity, and alignment of these policies across programs. It does not address Best Management Practices (BMPs), as those decisions remain the responsibility of each program's individual technical review committee.

Charge of the Cost Share Committee:

- Review and consider policy issues that span multiple cost share programs.
- Develop and recommend revisions to cost share program rules.

III. Review of District Feedback on Commission Policies gathered during the Feb-March Division Update Meetings

The Committee reviewed responses from the five Division Update Meetings where district attendees were asked to share which policies they'd like to see revised and assigned a priority that will help this committee work through the list of policies. Refer to appendices for detailed responses and summary by policy.

IV. Policies to review (*just beginning discussion on policies and recommended revisions*)

1. [All policies](#)

Division staff will draft revisions using track changes and bring them to the next meeting. Revisions will include technical corrections and hyperlinks.

2. [Repairs](#)

Add receipts (helpful for producers and staff who have not done repairs in the past) and clarify text to read not to exceed the "current year" average costs.

3. Contract Extensions

- Support automatic extensions for BMPs that require 3 years to implement (prescribed grazing, etc.)
- Support extensions for those contracts that have not had an approved design for 12 months
- Comfortable with delegating decisions to the Director. If the director denies an extension, then the board may appeal their request to the Commission directly.

One district requires the cooperator requesting an extension to attend a board meeting to state their case, then if the board understands the reasons for the delay, the board will support an extension request to the Commission (Guilford).

- Strike reference to annual BMP
- Add sentence that requesting an extension is board decision. Not all requests have to be submitted.

V. New & Expanded Operations

The Committee reviewed the policy in preparation of full discussion at their next meeting.

- The Committee will need to define whether this policy applies to the land or the owner.
- The term “operation” should be defined.

Lee Holcomb shared text from the NRCS Program Manual to help with the discussion during the next meeting:

NRCS Agricultural Operation

- a. An applicant’s agricultural operation includes all eligible and ineligible land as described below, whether contiguous or noncontiguous, that meets both of the following criteria:
 - Under the effective control of the applicant.
 - Operated by the applicant with equipment, labor, management, and production or cultivation practices that are substantially separate from other operations.
 - If the applicant provides NRCS with a written explanation and documentation that supports separate operations based on the criteria outlined in exhibit 530.320G, “Determining Substantially Separate Operations,” then NRCS must determine whether an applicant has more than one operation, document the determination in writing, and keep all documentation that supports the determination in the participant’s case file.

VI. **Set future meeting dates**

Meeting will be scheduled for the third Monday of every month at 9am through Microsoft Teams.

Summary of Feedback Received fDuring Division Update Meetings: Feb & March 2026

Rank	Policy	Count
1	All policies	2
2	Outside engineers	1
3	Expanded operations	14
4	Cancellations	13
5	Repairs	9
6	Interim milestones	7
7	Supplements	6
8	Spot checks	5
9	Extensions	2
10	Non-compliance	2
11	RFPs	2

1) All policies

- a. Key issues
 - i. Many reference rules/statutes/documents without links
- b. Suggested solution
 - i. Link any referenced document within actual policy

2) Outside engineer policy

- a. Key issues
 - i. Confusion on what is required for RFP
- b. Suggested solution
 - i. Include language on requiring a certificate of competition for the RFP

3) Expanded operations:

- a. Key issues
 - i. Definitions are unclear/grey: what counts as an “operation” and an “expansion” (incl. crops → cattle; increase in animal units/structures).
 - ii. 3-year establishment rule is confusing — should apply to land, not necessarily the owner; uncertainty around cattle not present the entire time.
 - iii. ISA setup and bullets #2/#3 not understood; “districts are prohibited from approving” wording is ambiguous.
- b. Suggested solutions
 - i. Clarify definitions and provide clear examples of expanded operations (include crop→cattle scenarios explicitly if acceptable).
 - ii. Emphasize land being in active operation (business use); clarify ISA setup expectations.

- iii. Make rules abundantly clear (remove grey areas); explicitly state how 3-year requirement is applied.
- iv. If water quality is the main concern, explain rationale when expansion limits still apply (align policy to program objectives).

4) Cancellations

a. Key issues

- i. 45-day cancellation is not enforced and often insufficient (e.g., NMP soil tests delays).
- ii. “Pending” status causes confusion post-JAA (resource concern documentation timing; construction).
- iii. Documentation gaps (e.g., CS2 checklists not attached).
- iv. Multi-dependency projects and design/permit timelines not reflected.
- v. Lack of timeline/checklist and board review triggers; “Why are we putting this out there if we aren’t doing it?”

b. Suggested solutions

- i. Either enforce the 45-day rule or revise the language (e.g., extend to 6 months).
- ii. Require resource concern documentation FIRST before pended status.
- iii. Publish a standard checklist (links to all forms per BMP); ensure CS2 attachments are complete.
- iv. Explicitly count design/permit/NMP review time; consider multi-source dependencies in funding readiness.
- v. Add a 12-month board review checkpoint with a timeline to proceed and clear response reminders (e.g., clarify what signing 11A means).

5) Repairs

a. Key issues

- i. Confusion about whether repairs use original average cost list vs current year cost list.
- ii. Contract clock reset behavior is unclear for repair contracts.
- iii. Rising costs over multi-year contracts (sometimes repairs not at producer’s fault).

b. Suggested solutions

- i. Use current year cost list for repairs — especially when producer not at fault; state this plainly.
- ii. Clarify if/when repair contracts reset the contract duration.
- iii. Align policy to cost changes: “cost list should match the year of the repair,” not the original contract year.

Policy	Issue/Concern	Solution
All policies	Many policies reference documents “should be in accordance to 02 NC 59D 0.0107 and 02 NC 59H 0.0107.” without specifying what these forms are or where to find them.	Linking these documents would help keep everything in the same place
Interim performance milestones	“1/3 of the work” is vague	Add guidelines to BMP policies. Might vary BMP to BMP
Non-compliance	4) What if property is sold/developed for money use? But BMP is still functioning?	“Intended use” should follow definition of program. (eg: should ACSP projects be out of compliance if no longer in agricultural use?”
Spot check	<ol style="list-style-type: none"> 1) 10 days 2) NRCS area office staff 	<ol style="list-style-type: none"> 1) 1 day 2) Local NRCS staff
Cancellations for cost share contracts	Checklists for CS2 form submitted is not attached to all practices	Create a checklist of links to all forms for each BMP

Job approval authority	Not receiving in a timely manner, lots of paperwork required	Policy in place for a timeline (Ex: submitted over a year ago) and improvements to process of submittal
Maintenance of contracts	Long maintenance on certain cost share BMPS	Shorten maintenance periods on cropland conversion, exclusion fencing, GWWs, field borders
Application and contracts	In order to get an application for assistance a contract has to be created in CS2	A separate application for assistance from having to create a contract in CS2
Program objectives	Only have practices and can contract on water quality problems	Expand to other BMPS that improve soil health

Extensions	Too many excuses or non-concrete reasons for extensions	Limit number of times a contract is extended
Expanded operations	Better guidance of what is an operation, expansion	Better answers to what to gauge this by
Supplements	1c and 2 contradict	Take 1c out
Supplements	The policy states “supplements are not intended to provide funding for increases in average costs for components on BMP caps”	Add statement that the cost list used to develop the original contract should be utilized.

New operations	Animal operations expand	Make it more clear
Dates	Some revisions are not clear	Put date and add what changed in policy revisions
Spot checks	5% of contracts	Change to a set number or percentage up to that number
Accountability measures for cost share program contracts	3 rd paragraph unclear	Unknown – did not understand

Request for payment	#2	Don't have to be approved at board meeting if signed between meetings
New and expanding operations	Gray area "districts are prohibited from approving" Expanded operations include..	Clarify who/what has been in operation for 3 years
Non-compliance	Timeline needs flexibility to accommodate vegetative practices	Planting dates
Repairs	Use same cost list as OG contract	Use new cost list if not at fault of producer

Program accountability	Pg 1 reporting all for every BMP regardless of funding source	Clarify last paragraph
Cancellations	We are not enforcing 45 days	Either start enforcing it or modify the language
Interim performance milestones	1/3 of the work required	Guidance on what 1/3 of the work would be
Revision	Minor changes are allowed	Define minor changes

New and Expanded Operations	No context for examples of expanded operations Ex) increasing # of animals happens often	-Clearer examples -More Emphasis on the land being in operation use (business)
New and Expanded operations	New operations – what about switching from crop to cattle (thinking of cropland conversion)	If starting a new cattle operation is okay include that in the list
Revisions	Cant add a new BMP	Sometimes plans change slightly and may be called a different BMP (Ex: critical area planting to field border)
JAA	Packets require more info than CS2 for contract approval (some paperwork is redundant). Opportunities through training or through staff instead of committee?	Have JAA approved through staff instead of committee/commission

Interim milestones	Difficult to know what 1/3 of the work for cost share BMPS	Like vagueness in policy for local discretion. But it would be helpful to get guidance on recommended actions of what constitutes 1/3 of work.
New and expanded operations	<ul style="list-style-type: none"> -Confusing about operation definition - Established 3 or more years needs to be clearly applied to land not necessarily owner 	<ul style="list-style-type: none"> -How operation is set up in ISA -Make language clearer
Repairs	Clarity issues if repair should utilize current year cost list of year it was contracted	Make language clearer – repair should use current year cost list
Cancellation for cost share contracts	<ul style="list-style-type: none"> -Only exception for design -Permits/CAMA etc time review should automatically count -Project depending on multiple sources should be considered for funding 	-Solution discussed in issue

Program accountability: Measures	Outdated software/training (NLEW and PLAT)	Update them and provide adequate training on software
Cancellations for cost share contracts	45 calendar days to cancel – not true right now	Extend to 6 months
Revisions	More detail needed	What if the BMP changes and how that process works
Interim milestones	No clear definition of 1/3 of the work – may not be a cooperator problem “Length of contract after approval”	Should be changed bc cooperator cannot do the work until designed Change to once design is complete for engineers In CS2, “approval” means decision and JAA letter complete. Clarify what final division approval means.

Cancellation for cost share contract in unresolved pended status	<p>“Pending” due to resource concern documentation</p> <ul style="list-style-type: none"> - After JAA letter - construction 	Resource concern documentation should be done FIRST.
Cancellation for cost share contract in unresolved pended status	Why are we putting this out there if we aren’t doing it?	Either throw it out or enforce it.
New and expanded operations	Unclear	Make it abundantly clear so there is no grey area.
Bona fide farm eligibility	GS small counties, small farms are usually ineligible to apply for cost share	Maybe go back to farm/tract #

Repairs	Have to use average cost list for the year of the repair	Use current cost list
New and expanded operations	Increase in the numbers of animal units and structures?	If its water quality issue what is the big deal!
New and expanded operations	We do not understand bullet 2+3 – sometimes people do not have cattle for 3 years and unclear whether they can apply	Revise wording to be more clear
Supplements	Take out NC-CSP-11A in supplements because it doesn't exist anymore. 6B is unclear	Remove NCCSP11A Revise 6B

Contract length	If approved late in CS2 then you have a shorter time to complete. You may only have 2 years instead of 3 years.	3 year time period begins with approval date in CS2 instead of start in CS2
Extensions	Life happens and sometimes cooperators can't get contracts complete in 3 years	1 year extension should be approved by local SWCD board. Then if another year is needed the commission or director must approve.
Repairs or Supplements	Cost share costs change almost every year. Contracts take several years sometimes. Costs keep going up.	Cost list should match up with the year and not fall back to contract original year.
Repairs	Repair costs made at cost from when contract was established regardless of what current rates are Repair contracts reset the time for contract	

Supplements	Split contracts when theres not enough money in current year	-Speaking w landowner -Completing BMP of need on first contract
New and expanded operations	Confusion over “expanded operations” Change of operation crops > cattle	Define these terms
Requests for payments	Number 2 and 7 are contradicting	Reword
Repairs	On a 7 year contract going back to original contract cost list	Use current year cost list

New and expanded operations	Increase animal units	If water quality is an issue what difference does 3 years make.
Interim milestones	1/3 install date – grey area, projects are different	Needs to be project by project
Cancellations for cost share in pending status	<p>45 days is not enough to do full effects – NMP soil tests not back etc</p> <p>If not approved in a year due to accountability measures for other than design</p>	<p>Need timeline/checklist min things that need to be done</p> <p>Items in a checklist > response</p> <p>Reminder to respond then perhaps an ability to cancel – clarifying what signing the 11A means</p> <p>Add a 12 month board review. Timeline to proceed.</p>