

**Washington Conservation Incentives Project
Funder Focus Group
November 7, 2006**

Attendees:

Gina Correa, Washington Department of Fish & Wildlife
Dave Brown, USDA/Natural Resources Conservation Service
Brian Howard, Washington Department of Ecology
Ken Miller, Washington Farm Forestry Association
Kraig Olassen, Whatcom County Planning – Agriculture Programs
Mary Macomber, DNR Small Forest Landowners Program
Jim Fox, Interagency Committee for Outdoor Recreation – WWRP Farmland Protection Program
Mark Clark, Washington State Conservation Commission
Fred Colvin, Washington Association of Conservation Districts
Sara Gage, Washington Biodiversity Council
Rick Reinlasoder, King County Livestock Program
Judy Herring, King County Farmland Protection Program
Ted Sullivan, King County Public Benefits Rating System Program
Stu Trefry, Washington State Conservation Commission
Steve Gibbs, DNR Forest Programs
Cary Smith, U.S. Fish & Wildlife Service – Joint Venture
David Berger, Stewardship Partners
Dennis Canty, Evergreen Funding Consultants
Don Stuart, American Farmland Trust

Overview:

This was the second of two focus groups – bringing together funders of incentives programs and those “brokers” or technical service providers who implement those programs on the ground. The meeting was to discuss ways to improve conservation incentives in Washington. Participants offered the issues and opportunities as they saw them. Their ideas were then, later, grouped into thematic categories as follows:

Problems with the current system and needs for correction:

Serious limitation on most funding programs is the lack of steady reliable funding.
Have many happy customers. Mostly there is a lack of funding to deal with all the needs.
Federal Government is not that good at providing landowner incentives – there is a need for groups to assist by dealing directly with the landowners – conservation districts fill this role. There is a need for CD help in this effort
There is a great deal more interest in participating than there is money to help.
Have some doubts that it is going to be easy to manage the various kinds of programs in a way that melds them together.
For grant funding, the demand greatly exceeds the funding available. But for the revolving loan fund, there is generally sufficient funding that they can meet most good needs. 20% of Centennial funding is for loans, and there is a lack of demand on the loan side.
There is definitely more landowner interest than there is money.

It is very important that our State preserve the remaining biodiversity which exists here and we need to use our incentives programs as effectively as we can to accomplish this. We need a strong assessment of our incentives programs and how they work. We also need a strong catalogue of all incentives programs available to landowners and for potential projects and issues – the Biodiversity Council has made a start at this. We also need as complete as possible an annotated list of the studies that have been done on how to improve the strategic effectiveness of incentives programs.

Incentives are growing in importance, but most people don't know about them.

The bottom line is that we need to get as much information to landowners as is possible.

There is also a huge need for trust – landowners need to see the person they are working with eye to eye so there is a need to have people out front, who are on salary, working with landowners on an continuing basis so it is possible to gain experience with them and learn to trust them.

We need to have established goals for what we hope to achieve, and to have established funding sources that can be relied on over time to apply toward those goals. There needs to be a commitment by all concerned to long-term protection and improvement of the environment. It cannot all be tied to taxes because there is not enough money to buy it all – need also to use other methods and incentives.

Must keep in mind that tax relief programs are also a tax in that they shift the burdens of taxation to others as they lift those burdens from the intended, incentivized landowners.

Much of the reason people do not want to work with government is because it is

- Not timely
- Not clear
- Too complex, and
- Too risky for them for becoming embroiled in unanticipated problems

Need to eliminate those barriers.

Incentives can be thought of as whatever the relevant landowner thinks they are – the matter is subjective - an incentive is what causes a landowner to act as hoped for. So it really is a mix of regulator pressure and financial opportunities.

In the Priorities of Government process, the Conservation Commission was asked about working lands and submitted a working lands paper. In this paper, it was suggested that conservation districts serve as a clearinghouse for the many incentives programs. The idea was that the Commission would coordinate this effort with and through the conservation districts.

Opportunities/suggestions/models for improvements in programs

Advantage of competitive programs is that they allow choices – by making applicants compete, funder can then select the contract that offers the greatest public benefit for the dollar – helps make the programs more strategic.

We need a single place for landowners to go to get solid, reliable, and complete information all of the various programs and incentives opportunities that exist

Some programs, like the Centennial Clean Water fund need to go through another agency to place the funding on the ground

Because we are overwhelmed with work, we clearly are not reaching out to the full landowner community, so there is doubtless a great deal more need from landowners who don't really even know about the programs. Much more outreach is needed to make the programs known.

There is a need for better collaboration among agencies dealing with landowner issues so we can make it easier for landowners to deal with them.

We tend to look at landscapes internally, in each program, but not collectively across programs. More coordination is needed.

There are definite barriers to landowner participation in these programs beyond just the landowners' knowledge of them. Just within the land protection area, each program may have different reasons for its existence, may have a different focus or purpose (e.g. environment, economics, open space, smart growth, etc.), and to coordinate we need to address all of the goals together as well as to coordinate well enough to make them all effective./

CTED has an Infrastructure Assistance Coordinating Council website that might provide a model for the kind of coordination we'd like to see happen.

It is also possible for some kind of trade show to work for something like this – an opportunity for the many funders to “sell” their services to professionals in the incentives brokering/implementation field or to landowners interested in learning more.

The key issue is that there is more program money than there is people to run the programs. There is a need for a delivery system to make these programs work properly. And that delivery system needs, itself, to be funded.

The key to incentives is that they work because they are voluntary. But a part of the driving force behind why they do it is also regulation – so landowners really respond to both. Even so, it is critically important that they be approached separately – that regulators and enforcers of regulations come from an entirely separate location than those who offer to work with landowners through incentives programs. These two functions need to be wholly independent.

We also need to begin looking at this problem as one of mitigating others' sins, rather than just as one of regulatory compliance. The reality is that a new shopping center creates additional problems. Somebody has to mitigate for those problems, and that mitigation is tending to be visited on our farms. In this way it becomes clear what the public gets for its funding – rather than just seeming like we are paying people to do what the law requires anyway.

It is also important that we understand what it is that we are trying to target, and what we are mitigating. That is how we make our targeting strategic. If the purpose is mitigation, then we should be buying or protecting that which mitigates. If we know why we are using these incentives, then it becomes much clearer what is the best way to go about it.

Need also to appreciate that a farm plan with a landowner is like a financial plan – it requires the development of a long-term working relationship. So there is a need for a consistent, trusted, steadily funded delivery system to provide the person to have that relationship with.

We need to do a better job of getting information about incentives out to the public and to the relevant landowners. It is important to remember that just because we create an incentives program, it doesn't mean landowners will use it. Also, this takes time – it is necessary that landowners get used to the idea of a program and how it works before they will start using it.

We need established, ongoing funds for personnel to heighten professionalism and assure opportunities for landowners to gain trust. And we need established, continuing funding for programs so people have a chance to get used to them and know to turn to them when they are appropriate.

We also need to have a system for keeping everyone in the business of delivering incentives fully informed over time of the status and availability of programs, but nobody has the money to accomplish this.

There ought to be a fast line for permits for people doing conservation projects – need to be able to move when the landowner is ready to move. We can look to some of the models on the East Side, especially in the Walla Walla area/

We need to focus the need for coordination on the brokers (implementers) of these programs, not on the landowners, since it really is the brokers who will probably bring things together and coordinate the programs for the relevant landowners. If we just provide a good, meaningful opportunity for landowners, they will use the programs.

We also need to coordinate on a regional level – e.g. have co-located offices of WDF&W, DNR, NRCS, CDs, etc. We don't yet have the metrics to measure effectiveness, but if we had co-located offices, we could provide a much stronger delivery system and much improved coordination.

We need a better understanding of where the line is (and why it is there) for when regulation is appropriate and when incentives are appropriate. We need to know how to define the difference between which is appropriate in any given circumstance so regulation does not just become the fall back position when resources are not available, or incentives happen only when there is money to spend.

Conservation districts are the local delivery system for the products the funders and other agencies are providing – in effect the local UPS driver for whoever is providing the incentives. The CD mission is to make delivery of conservation services seamless for the user, so it is in the district's job description to coordinate the delivery of the various offerings.

Each district is independent and driven by different, local priorities. So neighboring districts, Thurston and Lewis, for example, will have different priorities based on the unique local needs in each community. But these differing priorities must be treated as having the same importance overall. One of the limiting factors in the usefulness of incentives is that people hold back from participating out of fear of potential requirements that become burdensome and irrelevant to the local situation. Must keep in mind that cost-share programs still “cost” the landowner – only a share is paid by the public. So the landowner needs to have a desire to proceed.

The accelerating conversion of land is having an impact on the ability of conservation districts to effectively use incentives at the local level.

We need the system set up so that the professionals (like CD watershed coordinators) can know their way around the system and the various programs

In King County, landowners are required to have a farm plan. The local Conservation District coordinates with NRCS for EQIP funding to support this effort.

Farmers are not inclined to support protecting the environment when they do not believe that they will be here in 50-75 years. One needs to believe there will be a future before one is likely to be interested in helping to protect it. We need to help provide that future for agriculture if we are to motivate farmers to participate in environmental programs.

Incentives fill a gap between baseline requirements (regulations that everyone needs to comply with) and the area of positive improvements in performance where a landowner goes beyond what is absolutely required.

Like the idea of a central clearinghouse for incentives programs. Perhaps it is something that could be done through a non-profit organization. It could include links and maps of areas of focus or of activity by funders so others could see what is happening through various programs in their area. And much of it could be done on the web.

We also need delivery, broker systems that can survive, over time, through the flux and flow of available incentives programs so they don't disappear in lean periods and so they can maintain the continuity of trust with the landowner community. This is a key issue.

An “Office of Farmland Protection” could perform the functions that the NAWCA Joint Ventures perform by convening funders and creating that synergy and cooperation.

Incentives need not necessarily be financial. We need education through such agencies, for example, as USU Extension, etc. We need strong technical assistance for landowners, then financial incentives can play a part – only as a distant third (behind education/tech assistance and trust).

There is also an issue on consistency not only of the funding but also of the personnel who provide technical assistance. Landowners need to be able to deal with consistent personnel over time in order to trust them over time.

Programs also need to be timely – landowners want to get started when they become interested, not wait for months or years to make it happen.

We need also to have the ability to get funders together on projects so each can decide who will fund what with respect to a give project.

USF&WS has a “joint venture” that has a state steering committee to help coordinate grants under the NAWCA (North American Wetlands Conservation Act). Farmlands are important in this process as habitat for several species of migratory waterfowl. The use a cooperative process that generates synergy among the various funders and project implementers. Have developed a landowner guide, for example, that is for the purpose of identifying many of the opportunities available for landowners in this process.

We need to listen to our landowners if we are to engage them in using incentives. We need to be able to package together sets of programs, like CREP, EQIP, etc. We also need to use non-financial, market based approaches which will interest landowners if they can receive a market advantage.

Streamlining permits for, e.g. fish passage, would be a big help. And we need to create opportunities for low-impact development that help encourage landowners to stay on the land, while having minimal impact on the land.

It is difficult to get a full understanding of the incentives landscape – each program is complicated and stands on its own. So to use any one program, or to use any combination of programs, one must understand these complications.

Perhaps we can coordinate programs through”

- Shared information, e.g. a clearinghouse of incentives information
- Active alliances among programs so programs can “co-locate around a common idea”
- Pooling of resources or of programs in a way that allows landowners to submit only a single application that several programs consider
- Etc.

We need to ask ourselves what could be done, right now. Perhaps there is a:

- Coordination piece, and a
- Economic vitality piece that can be dealt with now.

We might be able to roll these into a program we can call an “incentives” package for the policy community.

Special needs of small forest landowners:

We need to include forest landowners meaningfully in the incentives system – there has been a focus of incentives on farms to exclusion of forest landowners.

In some ways the farm vs. forest issues greatly complicate the position of a landowner – some programs apply to forest land, others to farmland. When there is a mix of uses on the same land, perhaps upstream and downstream, dealing with a resource issue can become impossibly complex as one tries to mix and match the programs to make something work.

Personal experience, as a landowner, was that he was apprehensive about dealing with government at first, but found the experience non-threatening and relatively user friendly. Some notes on issues:

Need to find a way to facilitate a pooling process for funding for common goals of all agencies

Need adequate engineering assistance or funding to provide engineering – nothing else works if there is no one to engineer the project

Need to be able to match different kinds of resources to address a specific on the ground problem – these may be different funding sources with different priorities, or it may be different kinds of resources, like technical assistance, engineering, money, volunteer help, etc.

Question is how can we help the different programs work better together toward common goals.

Landowners usually do not have the wherewithal or time or interest to coordinate all of this – it needs to be done for them. It is difficult to get landowners to cozy up to a regulatory agency like DoE or WDF&W – they will want to deal with an agency they can be sure will not have a regulatory role and potentially turn them in for some unwitting violation.

We also need to identify all of the ways that farms and forests are good for the state and make that known to the policy community

We also need someone to be a cheerleader for this new direction

Need to change the public paradigm and get people to accept that working lands are a good thing.

With forest landowners, one of the issues is that many of them don't harvest – they just leave their forest crop to grow. So if they don't harvest, they don't need a permit, and accordingly they never come in to the forest programs.

Land protection programs/issues

Land protection programs also lack funding to really deal with the extent of the problem.

Much of the funding for incentives is based on grants – becomes difficult to maintain a consistent program or to keep the funding flowing consistently – funding overlaps sometimes, and is entirely absent at others.

Also need ongoing training for personnel to make sure they have adequate expertise to deal with problems.

Also need consistent personnel so landowners can get used to them over time, so they can develop a good reputation and can come to be trusted..

There is an interaction between the farmland programs and the conservation programs – both need to work together.

MRSC has a good program that could be used as a model

Land protection is but one tool – need access to all the tools together to make the system really work effectively.

There are various King County programs that are linked together in their system including land protection, farm plans, conservation practices, and the marketplace through Puget Sound Fresh. These linkages are important for the system to work. These different issues need to be addressed comprehensively across programs and over time.

As ownership of land changes, there are always new challenges, so we need the capacity to keep people up to speed on the requirements and possibilities of incentives.

The County is also adopting new easement covenants in their system that should help better address issues King County has faced in the past.