

**Washington Conservation Incentives Project  
Direct Funder Focus Group  
April 4<sup>th</sup>, 2007**

Attendees:

Gus Hughbanks, USDA/Natural Resources Conservation Service  
Jim Fox, Interagency Committee for Outdoor Recreation's  
Mark Gray, Washington Department of Natural Resources  
Mark Clark, Washington State Conservation Commission  
Fred Colvin, WA Association of Conservation Districts  
Doug Myers, Puget Sound Action Team  
Lee Faulconer, Washington State Department of Agriculture  
Bridget Moran, Washington Department of Fish & Wildlife  
Rocky Beach, Washington Department of Fish & Wildlife  
Lynn Helbrecht, Washington Biodiversity Council  
Don Stuart, American Farmland Trust

Overview

This was the third of three focus meetings for this project. This meeting consisted of key program managers of major providers of direct state and federal landowner conservation incentives funding for the State of Washington – we tried to keep this group smaller than the previous ones in order to allow the discussion to go to greater depth. Attendees were asked to consider ways to strengthen the current system with an emphasis on how we might better coordinate these programs in a way that would produce better geographic and problem area strategic focus and more effective collective impact. The ideas and suggestions were then grouped into thematic categories.

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**1. Nature of the problem:**

There is a tendency to spread the benefits and impacts of these programs out, thinly, across the landscape rather than to focus them on key priorities. It would help if we in the lead agencies doing similar work could provide each other with GIS layers reflecting our different priorities (e.g. open space, biodiversity, salmon, agriculture, etc.) and share those GIS layers among the entire group. This would help identify gaps and opportunities for joint work.

Because each of the agencies is dependant upon political support for funding, each needs to be concerned about the possible consequences of making priority decisions that will produce unhappy constituents and a potentially unhappy legislator. There is a tendency to try to keep people happy rather than to be, perhaps, as rigorous as one might in applying a strong set of program priorities.

It is also difficult to line up federal and state priorities because of the separate political leaderships responsible for each. NRCS provides the single largest total funding. It convenes a State technical Advisory Committee and also Local Work Groups in meetings processes that are open to interested participating agencies and individuals. But the process tends to be somewhat costly and time consuming for outside agencies/organizations to participate in.

For NRCS, a major difficulty in focusing effectively on state priorities is the lack of funding for qualified, trained technical assistance and engineering. This means there is a tendency to focus on those projects that require less intensive technical assistance not necessarily those which are of the greatest priority importance. They may frequently have funding for the cost-share component of the project, but be unable to provide the technical assistance and engineering.

NRCS has tried to work with other agencies (e.g. the conservation districts) to obtain technical assistance, but it is very difficult to obtain and hold the appropriately trained individuals capable of reliably engineering save and workable projects to correct NRCS specifications – they need to be trained in this.

Even within the programs, it is seldom entirely clear what the purpose is of the program involved – in getting programs funded, program managers seek to draw support from as many perspectives and constituencies as they can. A program like the Irrigation Efficiencies program, for example, really is about keeping water in streams, not about efficient irrigation for farmers – so it ought to have a name that makes that clear. Need to identify the actual objectives of each program. Otherwise it is more difficult to identify gaps in programs and to make them available where they are most needed.

We generally tend to define the problem in terms of what program is available to address it rather than defining the program by what problems need to be solved. In this way, it is like most related situations where funding drives the work that gets done rather than need driving the work.

Often the agencies are not really looking at “working” lands, but are rather just looking at how to manage or protect lands generally. Working natural resource lands need to be looked at differently since their owners have a profit perspective.

We need to look at natural resource conservation as an ethical issue – these resources essentially belong to society and to the future. So we need to establish responsibilities that go along with the right to exploit or affect them. This is a principle that requires political leadership to establish and promote. Without that principle, it is difficult to rally around a unified set of priorities or approaches and to be effective and targeted on goals because the goals keep shifting and are not clear or predictable.

Part of the problem with securing committed leadership is that natural resources

1. Has a great many agencies,
2. Many of them are independent of the Governor (run by Commissions), and
3. Still represents only about 1% of the state budget, which is shamefully low and so small that it is hard to get top state leadership interested in the issues. We seem to get only about the corresponding 1% of attention
4. The participants have turf issues that come to the fore in any collaborative effort. (Hence the need for Gubernatorial leadership.)

There seems to often be good, strong collaboration at the local and regional level. It seems like the closer participants get to Olympia, the harder it is for them to pull together. Probably that is because of the increased sensitivity to the political arena and to the needs of elected policymakers. Turf also tends to get in the way.

What got us in the I-933 situation was that nobody was really saying “no” to landowners for a long time – now, suddenly, they are through the CAO and Zoning processes. They rebelled against this.

One of the advantages of better coordination would be that we would all be much better empowered to collect up the information on contributions from all sectors and measure our overall success or failure – and to broadcast our successes and look for gaps in performance.

**2. Potential approaches to solutions:**

It is a problem that the agencies don't know what the other agencies are doing. (See the NRCS STAC and Local Work Groups process, above.) WDF&W is trying to assemble a conservation project registry that will help accumulate conservation projects in a single location, but it is invariably difficult for other agencies to participate in such registries. There is a need for a clearer statewide system for funding work in a given priority watershed so additional resources can be brought to bear on the most important problems.

We need a coordinated process for funders to be involved in watershed plan implementation – there is no strong system for implementing watershed plans across the state and to coordinate what should be funded.

The process needs ALL of the key players to participate – (for example Department of Ecology was not a participant in the current meeting). If any of the larger participants are not included, the process cannot be as effective.

Also, there is a need for leadership to bring all of the players together – e.g., the Governor's office needs to be involved. Otherwise, it is difficult to agree on and stick to a single agenda.

NRCS has created a Rapid Watershed Assessment Process (which may not always be as rapid as they'd like) which

1. Assesses the watershed by assembling current data
2. Takes local input on the problems that need to be addressed in the watershed
3. Tries to determine what it will take to fix the problem.

This is what they did when trying to address problems in the Klamath Basin. This could be a model for other situations. A brief summary of the process can be found on line at:

[http://www.nrcs.usda.gov/programs/rwa/background\\_purpose.pdf](http://www.nrcs.usda.gov/programs/rwa/background_purpose.pdf)

Other struggles faced in coordinating efforts, include:

1. Dealing with the different “architectures” or typologies used by each of the agencies. (WRIA, HUC, etc),
2. Having good common knowledge about basic issues for natural resources, e.g. knowing the actual rate of conversion of resource lands to development in various localities, or knowing the rate of depletion of major natural resources in an area. (Without this knowledge, how can one compare the needs between regions or sensibly arrive at key priorities?)
3. Can't really even agree on where streams are located – there is a need for an agreed on GIS Hydro layer – and need agreement on locations/levels of vegetative cover are located.

All of these kinds of issues require strong leadership that can help motivate the different agencies, each of which has different constituencies and different directions, to establish common, agreed priorities.

There is a need for a process in place that has broad participation and that has clear leadership from the top (e.g. the Governor's Office). If there was such a process, people would participate in it.

The three ways that seem to emerge for how agencies can work better together are:

- Education for farmer/client/participants and for the brokers/implementers of conservation incentives programs,
- Agency interactions through formal meetings on a continuing basis to create a convenient, continuing forum for identifying and agreeing on actions to be taken,
- Leadership from the highest levels that places a high premium/emphasis on collaboration rather than on competition

We need a single entity (or leadership structure) that thinks comprehensively about the entire investment being made in environmental stewardship. That function needs to be assigned/lodged somewhere and then structured so it continues over time. We need to enlist leadership from the Governor's Office to perform this function and keep people focused on the right goals.

With such a focused effort, we could then, collectively, report back to the public, in a consistent way – among all the agencies – what was achieved.

At present, the natural place for such Gubernatorial leadership and continuing meetings to occur would be in the Governor's Natural Resources Sub-Cabinet. This currently only meets during Legislative Session, but it would provide an excellent forum for these kinds of decisions to be made and relationships to be formed. This would need to be presented to the Sub-Cabinet as a priority. And the Governor would need to encourage the agencies to bring the issue to that level of government discussion. What is needed:

1. Get the Governor's Natural Resources Sub-Cabinet to begin meeting outside Session
2. Get the Governor to focus some attention and leadership on these issues
3. Involve all of the key players in the process (consider: NR, Health, DFW, AG, CC and all of the relevant State agencies, and could include Federal agencies like: NRCS, FSA, Rural Development; EPA, USF&WS, etc.)

One helpful measure could be to create a process for a single, virtual application that could be made for the several programs. Perhaps a description of the project could be made in such a way that each potentially interested agency could get it to the appropriate people and, if it seemed potentially appropriate, could get the more complete process back to the potential applicant.

The long-term relationship that is needed is akin to the relationship land-trusts form with their property-owners – a relationship that is made possible because:

- The easements are perpetual – not temporary
- Both the landowner and the land trust have an interest in a good working relationship

- The land trust is endowed with resources that empower it both to enforce the easement if needed and to maintain a good relationship which prevents them from having to do so

It would be good if there were some sort of similar “endowment” for conservation that created the same kind of stability in technical assistance provider/watershed coordinator – landowner relationships.

There are several levels at which and ways in which these conversations between agencies need to take place in order for full coordination to occur:

1. Need them at all levels among peers at:
  - a. Watershed coordinator/technical assistance level
  - b. Staff/management level
  - c. Agency Director – Governor level
2. Need the Governor’s Natural Resources Cabinet to be involved
3. Communities and landlords at the watershed level need education and involvement

New Office of Farmland Preservation will be a chance to, potentially, serve some of these roles – Incentives Clearinghouse is part of their responsibility. Will need to work also with the efforts of the Biodiversity Council.

If we had something formal in our state in the way of a process, we might be able to entice the federal agencies to participate. It would also help if we had money that could be contributed to joint projects that furthered joint goals/priorities.

At the Federal level, the State Technical Advisory Committee (STAC) is an opportunity but to make it work, requires a big time and energy commitment by the sister agency.

Participation is somewhat limited by this – there are, perhaps, 100 plus invitees and about 20 of these participate on a regular basis.

The STAC process is not a good place to try to change federal programs. But it can be a productive place if you take the federal programs as they are and look for opportunities to use them. This is akin to good technical assistance – teaching people what there is that is available, and by so doing, empower them to participate more effectively. It isn’t really all that helpful, locally, to focus on what is wrong with existing programs – best to try to understand and use them when we can.

Also, within the STAC process, the local work groups also have considerable influence so that, too, represents an opportunity for local groups to participate and influence the prioritization of resources.

The secrets to local watershed success are:

- No egos
- A strong, cohesive community that cares about the outcome and has sufficient glue to deal with the issues constructively

The “Priorities of Government” process failed to deal with this issue, so it will need to be dealt with separately – need the key players meeting regularly

Need a regular meeting process that takes place over a long period of time so everyone can develop trust and buy-in to the objectives of collaboration/coordination and buy-in to the priorities that end up being agreed upon.

Such a process will need state agencies to be motivated to participate. This can be through:

- fear (what will happen if they do not participate)
- money (what financial possibilities might be made possible if one participates)
- opportunities (what they might be able to accomplish in the way of getting their own pet/key issues addressed by other players)

We also must be careful not to draw a line between farm and forest programs – the same landowners own both to deal with the same issues on the same land. The incentives clearinghouse should try to avoid this distinction. We need these programs as integrated as possible.

To make incentives work, we need:

1. A clearer understanding and description of what they can accomplish, how they can be best/better used, and what their strengths/advantages are over regulations, e.g.
  - a. Can get positive stuff done
  - b. Can deal with site-specific situations
  - c. Can build, rather than undermine support for important objectives,
  - d. Etc.

The two really do serve different functions but they get muddled together

2. Need criteria that clarify why and when we would use incentives vs. why and when we would use regulations to deal with a given problem. What are the issues of “fairness” or “practicality” that drive our choices for the one approach over the other.
3. When and how are incentives driven by mitigation and what are the implications of that vs. when and how are they used to soften the impact of regulation or impending regulation and what are the implications of that.
4. How do we coordinate priorities and programs that focus on incentives with those that focus on regulations? How do we use each to accomplish what they do best?

We are developing land at a prodigious rate – if so, we need some sort of comprehensive effort to decide what to do and to then protect the balance from the ever-growing pressure mitigate the impacts of growth on the remaining undeveloped lands. This sets up a policy train-wreck for the future.

For example, we need to make wetland mitigation banks pay for farmland taken out of production to make it less appealing to mitigate in ag areas. We need a “no-net-loss” of agricultural lands policy of some kind. (WSDA, unofficially, tries to follow such a policy.)

We need a State Farmland Protection Policy Act that protects farmland, and under the State Environmental Policy Act – we need a requirement that there be Farmland Impact Statements where needed. WRP has run into this problem as well as mitigation projects and mitigation banks. State acquisitions should be required to justify their impacts on farmland and plan for and mitigate those impacts. Private mitigation should do the same. And there should be a process for better identifying where we mitigate most effectively with the least farmland impacts.

Carbon credits, pollution trading, mitigation, all represent substantial sources of revenue we need to tap into.

At the same time, the farmer needs an additional income-stream for producing something he/she can be proud of.

We could pay for some of this with impact fees for development – somehow, development needs to pay for the protection of the surrounding open space.

Also, we need something that ties all this in to a longer-term process than just the election-to-election cycles that a Governor operates on. Needs to be longer than that. Could potentially create some kind of process like WWRC and WWRP that structures these processes constructively and is backed by a strong, unfailing political constituency. The question is: How do we give incentives political legs.

An example is what was done on Shorelines, where:

- They used property owner addresses to create (and upgrade and maintain) strong mailing lists of affected landowners
- Did workshops and actual beach walks to educate the people involved
- Relied on mouth-to-mouth conversations one on one to pass along information to key people
- Used the requirements/current policy as a basis for shared conversation
- Focused on education of landowners
- Took input from many landowners
- In one case, used the PBRS to focus the discussion

To get impact from this project, need to get the attention of and raise awareness of top state leadership on this issue. Perhaps we could take the report and do a workshop, to which we invite legislators, and at which we engage attendees (especially legislators) in dialogue.

Also need a stronger awareness in the top policy community and in the community at large of what preserving agriculture means to the rest of us. Many people see agriculture as a negative (environmentally and, for some, politically also). Here, too, we need a dialogue that focuses on what and who we are as a statewide community – what is our self-identity as a state. We need environmentalists to be involved in this – perhaps could get Farming and the Environment to become involved. We need to increase the awareness of all of society of the value and importance of natural resource lands to everyone. 80% of our state's population is urban and disconnected from agriculture – we need to move those people who don't think much about agriculture.

The discussion needs to expand beyond the question of Westside growth – the problem is across the entire state. And the agriculture community also needs education. They need to get beyond the “show us a dead fish” approach to answering ESA challenges. Ag needs to get real about what their impact actually is and be more willing to deal with it.

Still, the agencies themselves are pretty limited in what they can offer – so we need to keep political momentum building for serious commitment of new resources to this problem. We need to use whatever opportunities we can to heighten the level of awareness about these issues and to create pressure on the political system to support this change.

We need also to look for ways to motivate non-agriculture community – what issues will move them. Need to get the politicians moved off the “Viaduct” dispute and on to a broader “Healthy Washington” idea that incorporates everyone.

Hope that the issue of food and food security are in the report. And we need not to define “local” as too local. People want and need the assurance that there is local food available, and we need a plan that makes sure they get that assurance.

Director Loveland and Frank Chopp both have discussed how important it would be to have a strategic plan for agriculture. They both recognize that saving agriculture is important to the future of our communities – specifically for the environment. So, in this context, economic development for agriculture is an environmental issue. Conversely, we need green payments for environmental services seen by agriculture seen by them as economic development.

**3. Landowner needs & concerns:**

Landowners need longevity on the land. If they have confidence that there is a stable, predictable future, they will be much more inclined to get involved and do long-term stewardship. The shorter-term is the attitude, the less they will want to be involved with conservation. Farmers need to be willing to invest in the future and to be able to plan on the returns from that investment.

The problems of agriculture need, also, to be viewed through a global warming perspective – we need to begin anticipating what global warming is going to mean for farmers so they can prepare themselves and their business activities accordingly.

There is also a huge lack of trust by landowners that is engendered by this impermanence in goals – by the seemingly ever shifting focus and lack of leadership. Such central leadership would help assure that each agency, in fact, had its own area of responsibility and that all bases were covered. We probably also need mandatory protocols for the various tasks and the measures we use to show success.

We also fail to look, enough, at these incentives as market-driven programs. Rather we tend to see them as a supplement to enforcement of regulations or as alternatives to regulations. To the extent that this is what they are, two things will always obtain: 1) landowners will always resist – seeing them for what they are; and. 2) the public will never want to fully and adequately fund them, questioning why we don’t just turn down the regulatory screw and finding it cheaper simply to increase the regulatory heat rather than increase the price paid for conduct believed to be a regulatory responsibility anyway.

Conversely, to the extent these programs are seen as inducing desirable, above-and-beyond-the-call conduct by landowners, then they will be more market-driven, we will be prepared to pay what they are actually worth, and we will be more successful at enlisting willing landowner support. (A good example of this phenomenon is the Skagit County buffer issue and the reaction of the landowner community to the County’s Salmon Heritage Program.)

This is an example of one of the consequences for society of the lack, in the U.S. Constitution or laws, of any right to equal protection in the economic or property arena.

The only place where equal protection applies is when there is discrimination between racial groups – not between economic groups or similarly situated property groups. It is perfectly constitutional for government to act in unequal fashion on different economic sectors or groups in society.

So, to properly sell these programs to the landowner, they need to be treated as “above-and-beyond” and what that means is they need to be seen as paying for mitigation for other social impacts, not as motivating compliance with regulation or avoiding future regulation. To the extent that we sell them as avoiding regulation, we undermine their acceptability for farmers and their fundability in the policy arena.

Incentives need to be approached as a business proposition – not as an implicit criticism of the landowner for supposedly not complying with community standards or with regulations. We tend to lump both together – this is counter-productive.

What is needed with the landowner is a permanent relationship – in effect a life-long conversation that establishes consistency and trust. Conservation incentives cannot work well with a “bang-and-your-gone” approach. That approach will, at best, get you “bang-and-its-gone” conservation.

Part of our problem is the way in which agriculture gets defensive. Much of the problem we face is that agriculture lacks hope for the future – they are immersed in gloom and doom. They need regulatory certainty. (And also land protection.) In the Ag-Fish-Water process, a few years back, in the end the agriculture community decided that they didn’t really want the “regulatory certainty” that was on offer – mostly they came to that conclusion because they didn’t really believe that regulatory certainty was possible. Conditions will always change, and government simply cannot offer the certainty they’d like to see.

The world market has changed the way it does business, and farmers need to adapt to that. This is one reason why conservation stewardship incentives need to be offered to farmers as a business proposition, as an effort to mitigate for other people’s impacts, rather than as an alternative to regulation.

Farmers need to see clearly how all of what they get paid for their work shows up on the bottom line of their business operation. And they need to be able to take pride in what they produce. Actually, it is a rather hopeful sign, for the future of agriculture, that there is a genuine possibility of their being paid for producing green values. This is a significant opportunity for the future of agriculture in the U.S.

We also need to work with the Farm Bureau to enlist their support for incentives as a constructive solution for their members and as a way to ameliorate some of the problems they are fighting against – ala I-933.