

United States Department of Agriculture



Natural Resources Conservation Service
6200 Jefferson NE, Room 305
Albuquerque, NM 87109
Phone: (505) 761-4400 Fax: (505) 761-4463
Web site: www.nm.nrcs.usda.gov

October 16, 2009

NEW MEXICO BULLETIN NO. 440-10-1

SUBJECT: PGM – EQIP –GUIDANCE FOR FY-2010

TO: All Employees

DUE: NOVEMBER 20, 2009

Purpose. To provide guidelines/timetable of activities for local EQIP proposals and program guidance for FY 2010.

Expiration Date. September 30, 2010.

Attached are a schedule of activities (attachment #1), guidance (attachment #2), watershed/small acreage initiative worksheet (attachment #3) and a proposal template (attachment #4) for all Designated and Area Conservationists in New Mexico to use in assisting Local Work Groups (LWGs) in making recommendations on implementing the EQIP and WHIP for FY 2010. Designated Conservationists are encouraged to move ahead with developing the EQIP proposal for their Field Office (FO). **The FY 2010 EQIP proposal is due to the State Conservationist by November 20, 2009.**

LWG meetings should be scheduled from October 18 through November 13, 2009. Please keep in mind that LWGs are advisory, not decision making, groups. The proposal from the FO is the final recommendation of the Designated Conservationist to the State Conservationist on the various aspects of carrying out the program for FY 2010.

The following information is required as part of your proposal in addition to the information outlined in the template:

- Screening criteria to determine High, Medium and Low priority
- Technical criteria to address tiebreakers
- Cost caps for high cost practices if applicable

All structural practices will initially use a cost share rate factor of 75% percent in developing the payment schedule. If a different rate is desired, submit the justification with your proposal preferably on Area jurisdiction.

The cost-share rate factor for successful Beginning Farmer-Rancher, Limited Resource Farmer-Rancher and Socially Disadvantaged applicants is 90%, unless a lower rate is approved by the STC, based on the ACs recommendation.

Helping People Help the Land

An Equal Opportunity Provider and Employer

The CCPI RFP template will be used for new Private-Federal Cooperative Grazing Initiative, watershed and any local initiative other than small acreage. A limited amount of funds will be set aside for those applications not contained within the CCPI proposals. Keep in mind that an application with federal lands can always be considered under conventional EQIP funding pools. Use existing 2009 CCPI template until further notice.

The AFO initiative funding pool will be established at the Area level incorporating ranking criteria to meet the needs of the field offices.

There will be a Tribal lands initiative based on the acreage contained within each field office.

Last year we provided an opportunity to submit proposals focusing resources on a watershed approach. That opportunity will be available again in FY 2010. The attachment (#3) will provide the template to submit proposals. In addition, the opportunity to address resource concerns for small acreage producers will also be made available. A pool of funds will be available for those field offices that are selected for a small acreage initiative and/or watershed initiative. Contact Michael Neubeiser for additional guidance on these initiatives or submit a proposal as described in the attachment 3.

It is important that each FO proposal be submitted in accordance with the guidelines set forth in attachment 2. If the guidelines are not followed, there may be delays in approving and publishing the proposal to the state website. EQIP cannot be implemented in your area until you have received authorization from the State Office.

FY-2010 State Initiatives

- ❖ Tribal
- ❖ Watershed
 - CRP
 - Wildlife
 - Others
- ❖ Small Acreage
- ❖ Private/Federal
- ❖ AFO

National Initiative

- ❖ Organic
- ❖ Air Quality

It is anticipated that AWEP and CCPI RFPs will be available in mid-November with a 60 day deadline.

Cost Data will we gathered in support of 2011 payment schedules on a quarterly basis using the payment ledger provided in FY-09. The data is due the last day of the quarter or last day of the working quarter. This is a mandatory requirement.

There will be a change in the AERT tool national questions and options availability. Teleconference notes have been provided to all Area Conservationists and Area Resource Conservationists outlining the changes. Local questions are required in all ranking tools to include State Initiatives.

REMEMBER: Protracts is now using FY-2010 Eligibility. When checking subsidiary be certain to look at the correct AGI determination (AGI-2002 for prior year contracts and AGI-2008 for new and FY-09 contracts).

Any CNMP written after September 30, 2009 will be coded as “102” and any CNMP applied will be coded to “103.”

Cost Over Run Account

Cost over run accounts are to be used for the following purpose:

- ❖ Add additional funds at payment
 - \$500 quantity increase
 - Payment of Index Payment Rate for FY-07 through FY-09 contracts.
- ❖ Obligation increase modifications
- ❖ Downward spending adjustments

These adjustments cannot occur until funds are made available expected in the near future.

As per CPM 440 Part 512.85, 2004 funds are now cancelled. This means obligation increases, whether modifications or payments will come from the current year reserve fund.

Index Payment Rate

The deployment is dependent on the new cost over run mode.

- ❖ FY-07 rate will be 13.4%
- ❖ FY-08 rate will be 8.1%
- ❖ FY-09 rate will have no increase since prices declined

Advance Payments

- ❖ Available to EQIP participants that self-certify as Historically Underserved.
- ❖ May only be provided for anticipated “out of pocket” costs associated with purchasing materials, supplies, equipment, and services required for practice installation.
- ❖ Cannot exceed 30% of the estimated payment a participant is scheduled to receive for a contract item.
- ❖ Requests shall only cover “immediate needs” and the practice must have an approved design prior to the CPC modification to determine the extent of the payment advance.

The anticipated availability is early November.

Other changes addressing vendors and lease length are covered as mentioned earlier in the teleconference notes provided to the AC and ARC.

Conservation Stewardship Program

The CMT tool should be available (albeit with ongoing problems) to be utilized with producer, as per training, during the month of October. CSP like most other programs has a continuous sign-up with the FY-2010 batching period tentatively scheduled for January. A final decision for the FY-2010 program year has not been made to date.

The second level review and contract approval will follow the same process as EQIP. Peer reviews will not be required but may be utilized upon the Area Conservationist discretion. A quality assurance process utilizing State Staff and ARCs will be implemented this fiscal year.

Easement Programs

A reminder that all easement programs have a continuous sign-up. This fiscal year the Secretary and Chief have place a renewed effort and focus on WRP. Last year we returned all but a fraction of the WRP financial assistance funds. We are asking that you look for opportunities in your districts and pass along to us. I know it's the southwest and that in itself stretches our imagination but I ask for a genuine effort.

We will target the eastern counties for the Grassland Reserve Program (GRP) as we did last year.

Conservation Innovation Grant (CIG)

We have not received guidance for FY-2010 but we anticipate placing priority on those proposals that include a riparian component for the state proposals. A final version of the Manual has been developed and available on-line, under CPM 526 Subpart B. Additional guidance is provided under GM 120, Part 600. STC can set aside up to 5% of the EQIP allocation not to exceed \$75,000 per proposal.

Wildlife Habitat Incentive Program

- ❖ Maximum federal costs cannot exceed 75%
- ❖ Incentive payments are not allowed
- ❖ Forgone income is considered an incentive and therefore not allowed as a cost category
- ❖ Private and Tribal lands are only eligible – A revised definition has been developed for Agricultural lands in the WHIP manual providing clarification and expanding the eligible lands.

Conflict of Interest and Appearance of Conflict of Interest

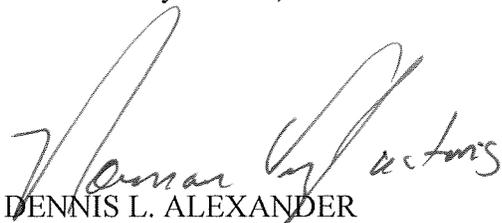
Employees who elect to participate in NRCS programs must recuse themselves from providing guidance and direction on applications, eligibility, ranking, fund obligation and contract approval within their own service area for that specific program. For EQIP, employees should recuse themselves from their service area covered by the funding pool/accounts. For CSP it applies to one of the three areas and therefore has a greater potential to limit the employees input. In addition, the subordinates must be attached to someone outside the office, preferably Area Staff or neighboring office for the purpose of receiving and requesting guidance in the specific program. Employees

electing to participate must take the Conflict of Interest Ethics training module in Aglearn. The restrictions are lifted once a new batching period is available if NRCS employees are not applicants with the understanding that they must recuse themselves from working on their place or those of relatives. For additional guidance, contact State Administrative Officer Rosabeth Garcia-Sais at 505-761-4411.

Your proposal must be submitted in electronic format.

It is important that you carefully and thoroughly review this bulletin and attachments.

If you have questions on any of the attached information or guidelines, please contact Norman Vigil, Assistant State Conservationist for Programs, 505-761-4445; Michael Neubeiser, Resource Conservationist, at 505-761-4419; Seth Fiedler, Resource Conservationist, 505-761-4416 and or Danny Branch, Resource Conservationist, 505-761-4407.



DENNIS L. ALEXANDER
State Conservationist

Attachments (5)

#1 - Schedule of Activities/Deadlines (1 pg)

#2 - Guidance (3 pgs)

#3 - Watershed & Small Acreage Initiative Worksheets (1pg)

#4 - F.O. Proposal Template (1 pg)

#5 – Memo-May 15, 2009 – Delegation of Authority