



Natural Resources Conservation Service  
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August 5, 2011

NEW MEXICO BULLETIN NO. 440-11- 02

SUBJECT: PGM - EQIP - GUIDANCE FOR FY 2012

TO: All Employees

**DUE TO STATE CONSERVATIONIST BY September 23, 2011**

**Purpose.** To provide guidelines/timetable of activities for local EQIP proposals and program guidance for FY 2012.

Expiration Date. September 30, 2011.

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 2012. Designated Conservationists are encouraged to move ahead with developing the EQIP proposal for their Field Office (FO). **The FY 2012 EQIP proposal is due to the State Conservationist by September 23, 2011.**

LWG meetings should be scheduled from August 8 through September 16, 2011. 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 2012.

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

Key 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 will be 25% higher than the non-HU rate, up to a maximum of 90%, unless a lower rate is approved by the STC, based on the A.C.s recommendation.

The attached template (#3) is one of two options to be utilized for seeking funds for new watershed project. LWGs/FO wishing to submit a proposal for a watershed project should only submit the proposal as either a state watershed initiative or CCPI (through the national RFP process), but not both. Given the funding challenges nationally, we will be setting aside more of our state allocation for state watershed and small acreage initiatives and other local initiatives. Keep in mind that an application involving federal lands can always be considered under conventional EQIP funding pools, but you will want to coordinate closely with the public land agency.

There will be a Tribal lands initiative based on the acreage contained within each field office similar to the 2011 funding level.

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.

**Recommendations contained in the LWG/FO proposals submitted by the District Conservationist may or may not be approved by the State Conservationist. Please do not assume all recommendations will be adopted. State Office staff are tasked with ensuring recommendations can be supported by program statutes, the CFR, national program policies and other applicable federal laws. State Office staff will contact the FO/AO to discuss any issues of concern. The local work group summary and ranking tool, as posted to the state web site, will serve as the STC approved summary and ranking tool.**

Watershed and Small Acreage Initiatives will be matched from a State reserve pool as identified in the field office proposals until all reserve funds have been expended.

#### FY 2012 State Initiatives

- ❖ Local Food
- ❖ Small Acreage Farmer-Rancher
- ❖ Tribal
- ❖ Watershed

#### National Initiatives

- ❖ Organic
- ❖ CCPI
- ❖ AWEP
- ❖ Ogallala
- ❖ Lesser Prairie Chicken

It is anticipated that AWEP and CCPI RFPs will be available in mid-November with a 30 day deadline.

### **Payment Schedules**

NHQ has informed states that 2012 payment schedules will be based on a national data analysis effort, in turn tied to 2012 state scenarios uploaded as of July 1, 2011. As the specifics of the national effort are yet to be clarified, New Mexico field offices should continue to collect cost data and complete payment ledgers until further notice. Ledgers will be due on the following days: Jan 15, April 15, July 15 and Sept. 1, 2012. Ledgers should be submitted electronically in cumulative format for the fiscal year to [seth.fiedler@nm.usda.gov](mailto:seth.fiedler@nm.usda.gov). An

updated payment ledger with new scenarios as needed will be provided shortly after the national payment schedules are finalized, currently anticipated in early FY 2012.

### **Practices**

The planned depth of all wells (practice 642) must be supported by a geologist report with payment based on the maximum depth identified in the report. This requirement applies to existing and new contracts. Document in tech notes that producer has been informed of this program requirement. In addition, on those wells that the producer elects to drill beyond the maximum depth established by the geologist report, notification must be provided to state geologist of such action if we are providing payment on that well. Again our payment is based on the depth considered by the geologist to be appropriate for the corresponding area. As always, unforeseen and extenuating circumstances may arise necessitating further consideration.

High Tunnel Systems (Hoop Houses) were made available for the first time in FY 2010, but only for EQIP-Organic applicants. In FY 2012 Hoop Houses, where appropriate, will be an eligible practice for all EQIP applicants.

### **Ranking Tools**

If a ranking tool for FY 2012 will be the same as FY 2011 just make that statement in the FO proposal. If you are proposing changes please clearly state what the recommended changes are in the FO proposal. We anticipate ranking tools will be released by Nov. 18, 2011.

### **Cost Over Run Account**

Cost overrun accounts are to be used for the following purpose:

- ❖ Add additional funds at time of payment
  - <\$500 quantity increase (modification not required)
  - >\$500 quantity increase (modification required)
  - Increase of (lesser of) >20% of total obligation or \$10,000 (SO approval required)
- ❖ Unused funds return to cost overrun accounts

Staff is encouraged to check the status of cost over run accounts before initiating modifications.

### **Index Payment Rate**

The rates for prior years, in FY 2011, are listed below. The rates in FY 2012 will change, however they have not yet been determined by NHQ. They will be incorporated into the ProTracts software. There is no action required at the field level.

- ❖ FY-07 rate was 16.9%

- ❖ FY-08 rate was 11.4%
- ❖ FY-09 rate was 1.3%
- ❖ FY-10 rate was 3.0%

### **Advance Payments (512.67C)**

- ❖ Available to EQIP & AWEP 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.
- ❖ Practice must be completed and within thirty days of advance payment approval. (The STC can approve a waiver and allow additional time with proper justification).

### **Conservation Stewardship Program**

We anticipate there will be a CSP evaluation deadline date established in the first quarter of FY 2012. Remember, CSP like most other financial assistance programs, has a continuous sign-up period. However, we cannot provide any details about the FY 2012 process or application deadline until further information/guidance is received from NHQ.

### **Easement Programs**

A reminder that all easement programs have a continuous sign-up policy.

The State Office WRP Team consisting of Programs and SRC staff will handle the majority of the program requirements. However, baseline data such as resource inventories, conservation plans and annual status review require field office participation. FRPP and GRP require the same level of participation by the field offices.

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

A tentative schedule of activities/dates for the easement programs is attached (attachment #5). For more information about the easement programs please contact Seth Fiedler (505-761-4416).

### **Conservation Innovation Grant (CIG)**

We have not received guidance for FY 2012 but we anticipate placing priority on those proposals that include a riparian component for the state proposals. State Conservationists can set aside up to 5% of the EQIP allocation not to exceed \$75,000 per proposal. Our trend is set aside \$150,000 for the state component.

### **Wildlife Habitat Incentive Program**

- ❖ Maximum federal costs cannot exceed 75%
- ❖ Incentive payments are not allowed

- ❖ Eligible lands include private, state or Tribal lands '*determined by NRCS to be suitable for fish and wildlife habitat development on which agricultural and forest-related products or livestock are produced or have the potential to be produced*'. (517.20H)

**The Field Office 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; or Seth Fiedler, Resource Conservationist, 505-761-4416.

*Cliff E. Sanchez, ACTING FOR*

DENNIS L. ALEXANDER  
State Conservationist

Attachments (4)

#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 - Tentative Schedule for Easements