

2013 Summer Study

Stakeholder Advisory Group - District and Programmatic Performance Measures and Standards Subcommittee Meeting – July 19, 2013

**Piedmont Regional Office – Department of Environmental Quality - 4949-A Cox Road,
Glen Allen, VA**

11:00 a.m. to 1:30 p.m.

Members Present:

Darryl Glover – Virginia Department of Conservation and Recreation (DCR) - subcommittee chair

Herb Dunford – Chair, Virginia Soil and Water Conservation Board

Deanna Fehrer - Piedmont Soil and Water Conservation District

Jack Frye - Chesapeake Bay Commission

Adrienne Kotula - James River Association

Kendall Tyree – Virginia Soil and Water Conservation District Association

Chad Wentz – Natural Resources Conservation Service (NRCS)

Stephanie Martin - DCR

Michelle Vucci –DCR

The chair began the meeting by discussing proposed subcommittee minor changes to the deliverables (Attachment C) related to the (FY15) Administration and Operations grant agreement. A couple of editorial changes were proposed as well as a change to the deliverable (#8) that addresses the submission of District budgets. The recommendation of the subcommittee was to add language to this deliverable stating that a district would submit a budget to the Department “by the latter of June 15, 2014, or 60 days after receipt of a final budget package from DCR.” It was agreed that Attachment C, with this modification, would be brought forward to the full committee as a recommendation.

The subcommittee then discussed proposed deliverables related to cost-share funding. This document discussed was a separate proposed Attachment C related to cost-share that reflected the comments of the subcommittee from its July 8 meeting in response to a series of questions discussed at that meeting. This proposed Attachment C consisted of nine (9) items, which were:

1. Did the District submit secondary considerations by May 1, or by a later date determined by DCR, in time to receive DCR review and prior to the start of the program year?

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A - Yes
- B – Not applicable
- C - No

Discussion: The submission of secondary considerations by Districts is addressed in DCR’s Cost-Share Manual. There was a discussion regarding whether the proposed May 1 deadline was achievable. The consensus of the subcommittee was that the date needed to be changed to June 30 to give Districts adequate time to submit secondary considerations once DCR’s policy changes and level of funding for fiscal year 2015 become known in the spring of 2014.

There was also a discussion regarding the timing of District review of participant applications. It was decided that the process of reviewing participant applications needs to be kept moving but that the language related to this deliverable would be changed to state that participant applications could not be approved by a District prior to that District’s secondary considerations being approved by DCR.

The recommended wording for this deliverable would now be: “Did the District submit secondary considerations by June 30, or by a later date determined by DCR, and receive DCR approval prior to the District approving cost-share applications?” There were no changes to the proposed grading system.

2. Did the District follow its primary and secondary considerations, and/or act consistently with other DCR policies, in ranking every cost share application?

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A - Yes
- B – Not applicable
- C - No

Discussion: No change was recommended to the wording for this deliverable. It was noted that the wording of the deliverable conforms to DCR’s Cost-Share Manual. There were no changes to the proposed grading system.

3. What percentage of the District’s VACS (cost-share) allocation for this fiscal year was either paid to a producer or obligated?

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A – $\geq 90\%$
- B – $< 90\%$ and $>75\%$
- C – $\leq 75\%$

Discussion: Questions were asked about how the wording of this question related to the reallocation process outlined in the draft cost-share policy for fiscal year 2014, which addressed ‘unobligated’ balances. It was recommended that the wording be changed to address District obligations rather than what had actually been paid out to a participant.

The recommended wording for this deliverable would now be: “What percentage of the District’s VACS (cost-share) allocation for this fiscal year was obligated to a producer?” There were no changes to the proposed grading system.

4. Did the District take appropriate action within 180 days to resolve all spot check issues once identified?

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A – $\geq 100\%$
- B – $<100\%$ and $>75\%$
- C – $\leq 75\%$

Discussion: Questions were raised regarding how a District and/or DCR would determine whether an action was resolved. There were also questions as to whether every issue could be resolved in 180 days or if this is a case where the issue needs to be addressed during that time frame.

The subcommittee recommended changing the wording of the deliverable to the following: “Did the District take appropriate action within 180 days to address all spot check issues once identified?”

5. Did the District maintain an up-to-date record of BMP applications, approvals, engineering drawings and modifications, as well as update the Ag BMP tracking program within two weeks of payments being rendered and other records no less than quarterly throughout the program year?

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A – $\geq 100\%$
- B – $<100\%$ and $>75\%$
- C – $\leq 75\%$

Discussion: The subcommittee members expressed concern over the way that this deliverable was written. There was a discussion regarding what determines an “up-to-date record of BMP applications” and whether applications should be considered separate from the other data that are entered into DCR’s Ag BMP tracking program. There was also discussion of how this measure should relate to ‘case files’ that are maintained in each District and whether this measure should examine the nature of updates made at Districts as well as the administrative review performed by DCR. There was also a discussion regarding a checklist that Districts need to prepare for administrative review by DCR and whether it should be similar to that used for review by NRCS. It was decided that the NRCS checklist needed to be reviewed to determine whether that checklist information could be consolidated and used as is, or modified by DCR for the measurement of this deliverable in fiscal year 2015. This would need to be addressed by the spring of 2014.

DCR staff indicated that this measure would be rewritten to address subcommittee members concerns and the rewritten deliverable would be sent out for comment. There was also a discussion regarding the proposed grading system and the difficulty associated with assigned a grade of “B”. There was comment that either a District addresses the issues in a checklist or does not. The recommendation of the subcommittee was to change the grading system to a Yes or No structure. (Note: additional comment from a sub-committee member submitted since the meeting on July 19 has resulted in an additional change to commit DCR to develop a case file review checklist prior to FY15).

6. Did the District meet quarterly and end-of-year reporting deadlines for submission of quarterly reports?

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A - Yes
- B – Not applicable
- C - No

Discussion: The subcommittee had no changes to the wording of this deliverable. There was a discussion regarding making the grading system for this deliverable comparable to the grading system for the seventh deliverable regarding quarterly reports. There was agreement to change the grading system to match that of Deliverable 7 noted below.

7. Quarterly reports were complete and accurate, and did not require more than minimal Conservation District Coordinator (CDC) involvement to balance and report on all cost-share data.

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A – $\geq 100\%$
- B – $<100\%$ and $>75\%$
- C – $\leq 75\%$

Discussion: There was a discussion regarding how those Districts that are chronically late with report submittals would be addressed. There were no recommended changes to either the wording of the deliverable or to the proposed grading system.

8. Did Districts act consistently with both primary and secondary considerations while also demonstrating the following priorities during the program year:
 - for Districts within the Chesapeake Bay basin, Districts shall give priority to BMPs addressed within the Virginia Chesapeake Bay Watershed Implementation Plan and;
 - for Districts in non-Chesapeake Bay basins, priority shall be given to BMPs in the highest priority agricultural TMDL watersheds (as ranked by the Department; high, medium, and low).

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A – $\geq 100\%$
- B – $<100\%$ and $>75\%$
- C – $\leq 75\%$

Discussion: There was a discussion regarding how this deliverable could be addressed, and how to translate the practices addressed in the Watershed Implementation Plan into practices addressed in DCR’s Cost-Share Manual. There were no changes to either the wording of the measure or to the proposed grading system. (Note: additional comment from a sub-committee member submitted since the meeting on July 19 has resulted in an additional change to the scoring criteria from numerical to narrative).

9. Did the District actively identify farm operations that are generating NPS pollution problems and focus recruitment on those owners and/or operators for participation in agricultural BMP incentive programs? From those agricultural producers whose farms are contributing NPS loads, did the District strive to engage as many new program

participants as is possible (agricultural producers that have not received program funds within the past 5 years)?

Proposed Grading (A – “Fully Satisfied”, B – “Partially Fulfilled”, C – “Did Not Fulfill”):

- A – $\geq 25\%$ of cost-share allocation to new signups
- B – $<24\%$ and $\geq 15\%$ of cost-share allocation to new signups
- C – $\leq 15\%$ of cost-share allocation to new signups

Discussion: There were no changes to the wording of the deliverable but there was a discussion regarding the proposed grading system. Subcommittee members were unsure as to whether the proposed percentages for the grading system properly reflected what should be an “A”, “B”, or “C”, and there was a comment that these proposed percentages may need to be “tried out” to see if they would be adequate grading tools. There was also a discussion regarding how this deliverable was measured in prior years. In the past, this deliverable had been assigned percentages, starting as high as 30% but then decreasing to 20%. Eventually, percentages were eliminated. It was decided that the proposed grading system would be changed to:

- A – $\geq 20\%$ of cost-share allocation to new signups
- B – $<20\%$ and $\geq 10\%$ of cost-share allocation to new signups
- C – $\leq 10\%$ of cost-share allocation to new signups

(Note: additional comment from a sub-committee member submitted since the meeting on July 19 has resulted in a condition added that this measure will not be implemented until the Ag BMP Tracking Program is modified to track new program participants).

There was also a discussion about ensuring that the proposed Attachment C for the cost-share deliverables in fiscal year 2015 permit CDCs and Districts to provide comments, which is the same process currently used in fiscal year 2013. The subcommittee agreed that specific comments need to continue to be included. (Note: it is intended that both, the Operations and Administration, as well as the Cost Share FY15 Attachment C, would be incorporated into a new self-assessment form for districts to go over with their assigned DCR Conservation District Coordinator. The self-assessment form would include the comment fields requested but not the grant agreement Attachment C).

The subcommittee also discussed remaining issues that were identified in the May 30 meeting and subsequently recommended for additional discussion at the July 8 subcommittee meeting. These items were reported to the full committee on July 19 and were:

- Measurement of Effort Outside of Cost-Share Money – In the July 8 meeting, there was a discussion regarding how the workload generated by the tax credit program affects the cost-share program. Subcommittee members were asked if the tax credit program

presented workload issues when measured against cost-share efforts. There was a discussion regarding how to measure this factor at the District level and there was also a comment that there is no technical assistance funding that comes with tax credit efforts. There was also a comment that paying cost-share at 100% for stream exclusion practices (SL-6), as proposed for fiscal year 2014, could slow down efforts in regards to tax credits. There was also mention of the increase in applications for Conservation Reserve Enhancement Program (CREP) funding, which could also affect workload.

The subcommittee expressed an interest surveying Districts to ascertain overall workload factors.

- Performance Measures for Districts and Programs Related to Market Saturation – There was a discussion regarding how to define market saturation and how it relates to the proposed deliverable (#9) for cost-share for fiscal year 2015. There was a discussion as to whether market saturation should be based on farm acres or on producers and how this would be evaluated. There was a comment as to whether market saturation could be measured by looking at 100% of those who want to participate or looking at a goal such as increasing the number of nutrient management plans. There was also a discussion regarding the need for more data and research and how this could be done, especially given District workloads. NRCS staff indicated that there was not enough data available to provide information and that the task of gathering data is extensive as information available from the Farm Service Agency is not up-to-date. It was decided that the issue would be brought forward to the full committee as a recommendation that additional research be done by DCR if additional resources are provided to undertake this task.

There were some general questions regarding how Districts that are graded poorly would be addressed. The response was that in such cases, DCR Conservation District Coordinators would be expected to work with those Districts that need to make improvements but also the approved Administrative and Operations Funding policy addressed this issue by permitting the Soil and Water Conservation Board to withhold funds if needed.