

**FY 2009 Explanatory Notes
Natural Resources Conservation Service**

Table of Contents

	<u>Page</u>
Purpose Statement.....	18-1
Statement of Available Funds and Staff Years	18-13
Permanent Positions by Grade and Staff Years	18-15
Size, Composition and Cost of Motor Vehicle Fleet	18-16
Conservation Operations:	
Appropriation Language.....	18-17
Lead-off Tabular Statement.....	18-18
Project Statement.....	18-19
Justifications	18-20
Geographic Breakdown of Obligations and Staff Years.....	18-21
Classification by Objects	18-23
Status of Program	18g-1
Watershed Surveys and Planning:	
Lead-off Tabular Statement.....	18-24
Project Statement.....	18-24
Geographic Breakdown of Obligations and Staff Years.....	18-25
Classification by Objects	18-27
Status of Program	18g-24
Watershed and Flood Prevention Operations:	
Appropriation Language.....	18-28
Lead-off Tabular Statement.....	18-29
Project Statement.....	18-29
Justifications	18-31
Geographic Breakdown of Obligations and Staff Years.....	18-32
Classification by Objects	18-34
Status of Program	18g-26
Watershed Rehabilitation Program:	
Appropriation Language.....	18-35
Lead-off Tabular Statement.....	18-36
Project Statement.....	18-36
Justifications	18-37
Geographic Breakdown of Obligations and Staff Years.....	18-38
Classification by Objects	18-39
Status of Program	18g-38
Resource Conservation and Development:	
Appropriation Language.....	18-39a
Lead-off Tabular Statement.....	18-40
Project Statement.....	18-40
Justifications	18-41
Geographic Breakdown of Obligations and Staff Years.....	18-43
Classification by Objects	18-45
Status of Program	18g-43
Healthy Forests Reserve Program:	
Appropriation Language.....	18-45a
Lead-off Tabular Statement.....	18-46
Project Statement.....	18-46
Justifications	18-47
Geographic Breakdown of Obligations and Staff Years.....	18-47
Classification by Objects	18-48
Status of Program	18g-46

Farm Security and Rural Investment Programs:	
Lead-off Tabular Statement.....	18-49
Project Statement.....	18-49
Summary of Proposed Legislation.....	18-51
Geographic Breakdown of Obligations and Staff Years.....	18-52
Status of Program	18g-48
Summary of Budget and Performance	
Statement of Goals and Objectives (Goals and Programs Crosswalk)	18-54
Strategic Objective and Funding Matrix.....	18-57
Selected Accomplishments	18-59
Key Performance Outcomes and Measures	18-61
Full Cost by Strategic Objective.....	18-68

NATURAL RESOURCES CONSERVATION SERVICE
Purpose Statement

The Natural Resources Conservation Service (NRCS) was established pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). In Fiscal Year 2006, NRCS adopted a new mission statement – “Helping people help the land” – that reflects the Agency’s role in providing conservation science and technology products and services to help people make and implement sound decisions to conserve, maintain, and enhance the lands and natural resources that they control or manage. Through this role, NRCS helps customers to achieve that balance of productive lands and a healthy environment.

NRCS’ primary customers are the individuals and groups who make day-to-day decisions about natural resource use and management on non-federal lands. They include farmers and ranchers and other members of the private sector who support production agriculture, units of government, and non-profit organizations. NRCS helps these customers take a comprehensive approach to the use and protection of their soil, water, and related resources. These cooperative conservation activities benefit directly or indirectly all of the people of the Nation.

NRCS assists customers in the accomplishment of their conservation objectives by providing products and services through five business lines:

1. Conservation Planning and Technical Consultations. NRCS provides data, information, and technical expertise to help customers collect and analyze information to identify natural resource programs and opportunities, clarify their objectives, and formulate and evaluate alternatives;
2. Conservation Implementation. NRCS helps customers install natural resource conservation practices and systems that meet established technical standards and specifications;
3. Natural Resources Inventory and Assessment. NRCS assesses, acquires, develops, interprets, and delivers natural resource data and information to enable knowledge-based planning and decision making at all landscape scales;
4. Natural Resource Technology Transfer. NRCS develops, documents, and distributes a wide array of technology pertaining to resources assessment, conservation planning and conservation system installation and evaluation; and
5. Financial Assistance. NRCS provides cost share and monetary incentives to encourage the adoption of conservation practices that have been proven to provide significant public benefits. Financial assistance is awarded to participants who voluntarily enter into contracts, easements and agreements to conserve natural resources.

NRCS assistance to individual landowners is provided cooperatively through conservation districts, which are units of local government created by State law. NRCS works in partnership with the State conservation agencies and other State and local agencies such as resource conservation and development councils, locally elected or appointed farmer committees, Federal agencies, Tribal governments, and private sector organizations. NRCS employees help people understand the natural processes that shape their environment and how to form partnerships with their neighbors in a common approach for a landscape that stretches beyond the boundaries of their farm or community — providing broader public benefits such as a safe and abundant food supply; clean and more dependable water supplies; diverse and resilient plant and animal communities; and connected landscapes that support a productive agriculture and natural resource quality.

NRCS helps people achieve these outcomes through the following authorized and funded programs of the Department of Agriculture:

Conservation Operations is authorized by the Soil Conservation and Domestic Allotment Act of 1935, P.L. 74-46 (16 U.S.C. 590a-590f) and the Soil and Water Resources Conservation Act of 1977, (16 U.S.C. 2001-2009). The purpose of Conservation Operations is to provide technical assistance supported by science-based technology and tools that help people conserve, maintain, and improve the Nation’s natural resources. Conservation Operations contains four sub-accounts: 1) Conservation Technical Assistance

(CTA); 2) Soil Surveys; 3) Snow Survey and Water Supply Forecasting (SS/WSF); and 4) Plant Materials Centers (PMC).

1. Conservation Technical Assistance Program: The CTA Program is the cornerstone of all USDA conservation programs. The program helps private landowners, conservation districts, Tribes and other organizations with technical assistance to plan, design and implement conservation practices and systems. CTA delivers this assistance through a national network of locally respected, technically skilled, professional conservationists. These conservationists deliver consistent, science-based, site-specific solutions to help private landowners conserve, maintain, and improve the Nation's natural resource base. The CTA Program works in partnership with other cooperative conservation programs to leverage the Federal investment in order to achieve national priorities without duplicating local and State efforts. The CTA Program is the conservation foundation for the Nation's private lands and Tribal lands conservation assistance infrastructure and brings to bear the technical expertise to get sound conservation solutions applied on the ground.

The CTA Program provides proven and consistent conservation technology and delivery infrastructure for achieving the benefits of a healthy and productive landscape, and has the following purposes:

- Reduce soil loss from erosion.
- Solve soil, water quality, water conservation, air quality, and agricultural waste management problems.
- Reduce potential damage caused by excess water and sedimentation or drought.
- Enhance the quality of fish and wildlife habitat.
- Improve the long term sustainability of all lands, including cropland, forestland, grazing lands, coastal lands, and developed and/or developing lands.
- Assist others in facilitating changes in land use as needed for natural resource protection and sustainability.

Specific objectives of CTA are to:

- Provide conservation technical assistance to individuals or groups of decision makers, communities, conservation districts, units of State and local government, Tribes, and others to voluntarily conserve, maintain, and improve natural resources.
 - Provide collaborative community, watershed, and area-wide technical assistance with units of government, so they can develop and implement resource management plans that conserve, maintain and improve our natural resources.
 - Provide conservation technical assistance to agricultural producers to comply with the Highly Erodible Land (HEL) and Wetland (Swampbuster) Conservation Compliance Provisions of the 1985 Food Security Act, as amended by past and future Farm Bills.
 - Provide conservation technical assistance to decision makers in order for them to comply with Federal, State, Tribal, and local environmental regulations and related requirements, and prepare them to become eligible to participate in other Federal, State, and local conservation programs.
 - Provide soils information and interpretation to individuals or groups of decision makers, communities, States, and others to aid sound decision making in the wise use and management of soil resources.
 - Collect, analyze, interpret, display, and disseminate information about the status, condition, and trend of soil, water, and related natural resources so that people can make informed decisions for natural resource use and management.
 - Assess the effects of conservation practices and systems on the condition of natural resources.
 - Develop, adapt, and transfer effective science-based technologies and tools for assessment, management, and conservation of natural resources.
2. Soil Surveys. NRCS helps people understand and use soils to their capability. Soil surveys provide the public with information on the capabilities and conservation treatment needs of their soil. Based on scientific analysis and classification of the soils, soil surveys are completed for a county or designated area and include maps and interpretations with explanatory information. Soil survey is the

foundation of resource planning by land-users and for policy making for Federal, State, county, and local community programs. NRCS conducts soil surveys cooperatively with other Federal agencies, land grant universities, State agencies, and local units of government. The major objectives of soil surveys program are to:

- Inventory and map the soil resource on the non-federal lands of the United States.
 - Keep soil survey relevant to meet emerging and ever-changing needs.
 - Interpret the data and make soil survey information available to meet public needs.
 - Promote the soil survey and provide technical assistance in the use of soil information.
 - Lead the National Cooperative Soil Survey Program.
3. Snow Surveys and Water Supply Forecasts. NRCS provides western States and Alaska with information on future water supplies. NRCS field staff collects and analyzes data on depth and water equivalent of the snowpack at more than 1,200 mountain sites and estimates annual water availability, spring runoff, and summer streamflows. These forecasts are used by individuals, Tribes, organizations, and State and Federal agencies for decisions relating to agricultural production, fish and wildlife management, municipal and industrial water supply, urban development, flood control, recreation power generation, and water quality management. The National Weather Service includes the forecasts in their river forecasting function. The objectives of the program are to:
- Provide water users with accurate forecasts of surface water supply within the first five working days of each month, January through June;
 - Efficiently obtain, manage, and disseminate high quality information on snow, water, climate, and hydrologic conditions; and
 - Develop and apply new technology to meet changing needs of water users.
4. Plant Material Centers. The Plant Materials Centers (PMCs) identify, test and evaluate the performance of native plants to solve natural resource problems including biomass production, carbon sequestration, erosion reduction, wetland restoration, water quality improvement, streambank and riparian area protection, coastal dune stabilization, air quality and other conservation treatment needs. Plant materials are used to restore the environment to healthy condition after natural disasters and human induced resource concerns. PMCs also evaluate and develop improved technologies for the production, establishment, and management of plants used in conservation systems. PMCs directly generate revenue for the national economy with the release of proven species to the private sector for commercial production and sales that results in over \$100 million a year in revenue. The work at the 27 PMCs is carried out cooperatively with State and Federal agencies, universities, Tribes, commercial businesses, and seed and nursery associations.

Watershed Surveys and Planning authorized by the Watershed and Flood Prevention Act, P.L. 83-566, August 4, 1954 (16 U.S.C. 1001-1008). Before 1996, small watershed planning activities and the cooperative river basin surveys and investigations authorized by Section 6 of the Act were operated as separate programs. The Fiscal Year 1996 Agriculture Appropriations Act combined the activities into a single program entitled the Watershed Surveys and Planning program. Activities under both programs are continuing under this authority.

This program assists Federal, State, and local agencies and Tribal governments protect watersheds from damage caused by erosion, floodwater, and sediment and to conserve and develop water and land resources. Resource concerns addressed by the program include water quality, opportunities for water conservation, wetland and water storage capacity, agricultural drought problems, rural development, municipal and industrial water needs, upstream flood damages, and water needs for fish, wildlife, and forest-based industries. Types of surveys and plans include watershed plans, river basin surveys and studies, flood hazard analyses, and flood plain management assistance. The focus of these plans is to identify solutions that use land treatment and structural and nonstructural measures to solve resource problems.

Watershed and Flood Prevention Operations. This includes Watershed Operations authorized by P.L. 78-534, the Flood Control Act of 1944 (33 U.S.C. 701b-1), and Small Watersheds authorized by P.L. 83-566, as amended, (16 U.S.C. 1001-1008).

Through these programs, NRCS cooperates with State and local agencies, Tribal governments, and other Federal agencies to prevent damages caused by erosion, floodwater, and sediment and to further the conservation, development, utilization, and disposal of water and the conservation and utilization of land. The P.L. 566 program is available nationwide to protect and improve watersheds up to 250,000 acres in size. Currently, there are approximately 350 active small watershed projects throughout the country. P.L.-534 is available only in areas authorized by Congress; the areas cover about 38 million acres in 11 States.

The objectives of the programs are to assist local sponsors in assessing conditions in their watershed, developing solutions to their problems, and installing necessary measures to alleviate the problems. Measures may include land treatment and structural and nonstructural measures. Federal cost sharing for installation of the measures is available; the amount depends upon the purposes of the project. Rural and urban residents working through local organizations (such as county or municipal governments, soil and water conservation districts, not-for-profit organizations, or Tribal governments) initiate a project by asking for assistance to solve a problem. State agencies review and approve local proposals and may provide financial and other assistance.

Emergency Watershed Protection (EWP) program is authorized by Section 216, P.L. 81-516, (33 U.S.C. 701b-1) and Sections 403-405, P.L. 95-334 (16 U.S.C. 2203-2205). The 1996 Farm Bill amended Section 403 of the Agricultural Credit Act of 1978 (P.L. 95-334) (16 U.S.C. 2203) by including the purchase of floodplain easements under the Emergency Watershed Protection Program.

The EWP program reduces hazards to life and property in watersheds damaged by severe natural events. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, drought, or other natural causes that results in life and property being endangered by flooding, erosion, sediment discharge or other associated hazards. The emergency area need not be declared a national disaster area to be eligible for assistance. Objectives of the program are to provide technical and financial assistance for disaster cleanup and subsequent rebuilding; stream corridor, wetland, and riparian area restoration; and for urban planning and site location assistance to Federal Emergency Management Agency when relocating communities out of floodplains. Local people are generally employed on a short-term basis to assist with disaster recovery. Activities include establishing quick vegetative cover on denuded land, sloping steep land, and eroding banks; opening dangerously restricted channels; repairing diversions and levees; purchasing flood plain easements; and other emergency work.

Watershed Rehabilitation Program is authorized under section 14 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended by Section 313 of Public Law 106-472, November 9, 2000. This program assists communities in addressing public health and safety concerns and environmental impacts of aging dams. Technical and financial assistance is provided for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams. The program may provide 65 percent of the total cost of the rehabilitation projects; federal funds cannot be used for operation and maintenance. The program also allows communities to gain new benefits by adding municipal and irrigation water supplies, recreation, and wetland and wildlife enhancements.

Resource Conservation and Development Program (RC&D) is authorized by Section 102 of the Food and Agriculture Act of 1962 (P.L. 87-703), (7 U.S.C. 1010-1011) and Sections 1528-1538 of the Agriculture and Food Act of 1981 (P.L. 97-98). Section 383 of the 1996 Farm Bill (P.L. 104-127) (16 U.S.C. 3461) extended the RC&D program authority. Section 2504 of the 2002 Farm Bill removed the sunset provisions previously placed on this program. RC&D improves the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and carry out programs for resource conservation and development. RC&D plans may address land conservation, water management, community development, or other elements including energy conservation, protection of agricultural land, or protection of fish and wildlife habitats.

RC&D is initiated and directed at the local level by volunteers. A typical RC&D area encompasses multiple communities, various units of government, Tribes, municipalities, and grassroots organizations. The program serves as a catalyst for these civic groups to share knowledge and resources in a collective attempt to solve common problems facing their region. RC&D councils obtain assistance from the private

sector, Tribes, corporations, foundations, and all levels of government. As of September 30, 2007, a total of 375 RC&D areas have been authorized covering 2,681 counties across the country.

Farm Bill Conservation Programs

Many of the programs below are authorized and funded by the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill), which expired in 2007. The 2008 Consolidated Appropriations Act of 2008 extended some of these programs into 2008 (see individual program descriptions, below). The Administration has proposed legislation to reauthorize the Farm Bill. For a description of the Administration's proposals to reauthorize the conservation programs, see p. 18-49.

Healthy Forests Reserve Program (HFRP) is authorized by Title V of the Healthy Forests Restoration Act of 2003 (Public Law 108-148). HFRP assists landowners in restoring, enhancing, and protecting forest ecosystems on private lands to promote the recovery of threatened and endangered species; improve biodiversity; and enhance carbon sequestration. The three HFRP enrollment options include a 10-year cost-share agreement, a 30-year easement, or an easement of not more than 99 years. Land enrolled in the HFRP must have a restoration plan that includes practices necessary to restore and enhance habitat for species listed as threatened or endangered or species or candidates for the threatened or endangered species list. All the options include cost-share payments for implementation of the required practices.

Wetlands Reserve Program (WRP) is authorized under Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended. Funding is provided through the Commodity Credit Corporation (CCC). Section 2201 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) reauthorized the WRP through calendar year 2007 and was extended into FY 2008 by P.L. 110-161. The 2002 Act provided for a total acreage enrollment cap of 2,275,000 acres and it authorized the Secretary of Agriculture to enroll 250,000 acres annually in the program.

WRP preserves, protects, and restores valuable wetlands. Wetland restoration and protection improves wildlife and migratory bird habitat, and water quality, and provides flood water retention, ground water recharge, open space, and aesthetic values. NRCS enrolls lands in this program in permanent easements, 30-year easements, and voluntary restoration agreements based on landowner interest in these enrollment options. NRCS enters into easements and contracts with landowners who operate eligible wetlands and associated buffer areas, as well as riparian areas that link two protected wetlands. NRCS and the Fish and Wildlife Service provide technical assistance.

Environmental Quality Incentives Program (EQIP) was re-authorized by Section 2301 of the 2002 Farm Bill which amended the Food Security Act of 1985 as amended by the Federal Agricultural Improvement and Reform Act of 1996 (the 1996 Farm Bill) (P.L. 104-127) and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). The 1996 Farm Bill combined into a single program the functions of the Agricultural Conservation Program, the Great Plains Conservation Program, the Water Quality Incentives Program, and the Colorado River Basin Salinity Control Program. NRCS is responsible for implementation of EQIP and associated financial reporting. CCC funds EQIP. Section 1203(a) of the Deficit Reduction Act of 2005 extended EQIP into 2010.

EQIP promotes agricultural production and environmental quality as compatible national goals. The objective of the program is to provide technical and financial assistance to farmers and ranchers who face the most serious threats to soil, water, and related natural resources, assisting them to make changes in cropping systems; grazing management; manure, nutrient, pest, or irrigation management; land use, or other measures needed to conserve soil, water, and related natural resources. Technical assistance, cost-share payments and incentive payments, are provided to producers in a manner that optimizes environmental benefits. Contract length is one year after completion of the last practice not to exceed 10 years. At least 60 percent of funding must be targeted to practices relating to livestock production.

NRCS establishes policies, priorities, and guidelines for the program and provides technical leadership and technical and financial assistance. Conservation districts and Farm Service Agency (FSA) county committees assist with implementation; State Technical Committees offer advice on criteria and priorities.

Ground and Surface Water Program Conservation (GSWC) was authorized by Section 1240I of the 2002 Farm Bill and was extended into 2008 by P.L. 110-161. GSWC promotes ground and surface water conservation by providing cost-share payments and incentive payments to producers to carry out eligible water conservation activities with respect to agricultural producers to improve irrigation systems; enhance irrigation efficiencies; convert to less water-intensive agriculture or dryland farming; improve the storage of water through measures such as water banking and groundwater recharge; mitigate the effects of drought; or institute other measures that improve groundwater and surface water as determined by the Secretary, in the agricultural operations of the producers. A net savings in groundwater or surface water resources in the agricultural operation of the producer is a program requirement. NRCS establishes policies, priorities, and guidelines for the program and provides technical leadership and technical and financial assistance. Program operation is similar to the Environmental Quality Incentives Program.

Klamath Basin was authorized by Section 1240I(c) (2) of the 2002 Farm Bill. The Klamath Basin program carries out water conservation activities in the Klamath Basin located in California and Oregon. NRCS establishes policies, priorities, and guidelines for the program and provides technical leadership and technical and financial assistance. Program operation is similar to the Environmental Quality Incentives Program.

Farm and Ranch Lands Protection Program (FRPP). Section 2503 of the 2002 Farm Bill repealed the Farmland Protection Program authorized by the 1996 Farm Bill and authorized a new FRPP. The 2002 Farm Bill was extended into FY 2008 by P.L. 110-161. FRPP keeps prime, unique and other productive farm and rangeland in agricultural uses. Eligible land includes farm or ranch land that has prime, unique, or other productive soil or contains historical or archaeological resources. NRCS partners with eligible State, local, Tribal and nongovernmental farmland protection programs providing up to 50 percent of the fair market value of the conservation easement. Up to 50 percent of the entity's share (i.e., up to 25 percent of the fair market value of the easement) can be donated by the landowner. The conservation easements are held by the cooperating entity and NRCS holds a contingent right in the easement. To be eligible, land must be subject to a pending offer from an eligible entity. A conservation plan must be developed for any highly erodible cropland associated with the conservation easement.

Wildlife Habitat Incentives Program (WHIP) was authorized by Section 1240N of the Food Security Act of 1985, as amended by Section 2502 of the 2002 Farm Bill, which was extended into FY 2008 by P.L. 110-161. Originally authorized by Section 387 of the 1996 Farm Bill, WHIP develops habitat for upland wildlife, wetlands wildlife, threatened and endangered species, fish, and other types of wildlife. NRCS provides technical and financial assistance to landowners to improve wildlife habitat conditions on their property. NRCS enters into five- to 10-year cost-share agreements with landowners, providing up to 75 percent of the funds needed to implement wildlife habitat development practices. The 2002 Farm Bill authorized NRCS to provide additional cost-share assistance to landowners who enter into 15-year agreements for the purpose of developing essential plant and animal habitat. NRCS can also enter into one-year wildlife emergency agreements to help landowners meet the immediate habitat needs of wildlife affected by natural disasters, such as the drought.

Conservation Security Program (CSP) was authorized by the 2002 Farm Bill. Title II, Subtitle a, Section 2001 amends the Food Security Act of 1985 by adding Chapter 2, Subchapter A, the Conservation Security Program. CSP is a voluntary program that provides financial and technical assistance for the conservation, protection, and improvement of natural resources on Tribal and private working lands. The program provides payments for producers who practice good stewardship on their agricultural lands and incentives for those who want to do more. Equitable access for all producers will be provided in all 50 states, the Caribbean Area, and the Pacific Basin Area, regardless of size of operation, crops produced or geographic location. CSP is a resource concern driven program, not conservation practice driven. Section 1202(a) of the Deficit Reduction Act of 2005 extended CSP into 2011.

Agricultural Management Assistance Program (AMA) is authorized by Section 211 of the Agriculture Risk Protection Act of 2000 (P.L. 106-224). Subtitle F, Section 2501(1) (4) (ii) of the 2002 Farm Bill provides \$20 million annually for financial assistance in 15 States, as determined by the Secretary, in which participation in the Federal Crop Insurance Program is historically low. Financial assistance is provided through the CCC. The 15 states designated by the 2002 Farm Bill to participate in the program are

Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. AMA provides financial assistance to producers to construct or improve water management structures or irrigation structures; plant trees for windbreaks or improve water quality. The program also offers financial assistance to mitigate crop failure risks through production diversification or resource conservation practices, including soil erosion control, integrated pest management, transition to organic farming or to develop and implement a plan to create marketing opportunities for the producer, including through value-added processing. AMA also provides financial assistance to producers to enter into futures, hedging, or options contracts in a manner designed to help reduce production, price, or revenue risk; and enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk.

Grassland Reserve Program (GRP) was authorized by Section 1238n of Title XII, of Food Security Act of 1985, as amended by section 2401 of the 2002 Farm Bill. GRP assists landowners in restoring and protecting grassland. The objective of this program is to enroll up to two million acres in permanent easements, 30-year easements, or for the maximum duration allowed under state or Tribal law. The program participant may enroll in a 10-, 15-, 20- or 30-year rental agreement in-lieu-of an easement. The program participant may enroll in a restoration agreement to restore the functions and values of the grassland.

Technical Service Provider Assistance was authorized under Section 1242 of the 1985 Food Security Act, as amended by the 2002 Farm Bill. Section 2701 of the 2002 Farm Bill amended Section 1242 of the Food Security Act to require the Secretary of Agriculture to provide technical assistance under the Food Security Act Title XII conservation programs to a producer eligible for that assistance “directly ... or at the option of the producer, through a payment ... to the producer for an approved third party, if available.” Section 1242 requires that USDA establish a system for approving individuals and entities to provide technical assistance to carry out conservation programs and establish the amounts and methods for payments for that assistance. Technical assistance includes conservation planning and conservation practice implementation.

The Secretary of Agriculture delegated authority to implement Section 1242 to NRCS. NRCS implementation objectives of the provision include: 1) policy, procedures, and processes that provide efficient, effective, and timely technical services; 2) a process where conservation program participants can take full advantage of the marketplace and obtain cost-effective delivery of quality technical services; and 3) technical services that are provided in a manner that optimizes conservation benefits. Assistance through technical service providers expands NRCS ability to provide products and services that enable people to be good stewards of the Nation’s soil, water and related natural resources on non-federal land.

Workforce Status and Location. As of September 30, 2007, NRCS had 11,099 full-time employees with permanent appointments and 809 part-time or intermittent employees. Of this total, 464 employees are located in the Washington, D.C. Metropolitan Area and 11,444 employees located outside of the Washington, D.C., metropolitan area.

Organizational Structure. NRCS is a line and staff organization. The line authority begins with the Chief and extends through the Regional Assistant Chiefs, State conservationists, area conservationists, and is finally vested with district conservationists. Line officers are responsible for direct assistance to the public. Staff positions furnish specialized technical or administrative assistance to line officers. More than 98 percent of the over 3,800 NRCS offices are in the field. Staffs in these offices either provide direct customer service or critical technical and administrative support. The following is a brief description of the principal functions of NRCS offices.

Customer Service Offices. Eighty-four percent of NRCS offices either provide the Agency’s broad spectrum of natural resource technical and financial assistance products and services to customers, or a more focused service such as rural community development.

- Field Offices. Most employees provide front-line, personalized, one-on-one customer service from field offices that constitute 73 percent of NRCS offices. Employees in these offices provide customers with technical and financial assistance through the agency’s five business lines; as a result of this help, customers prevent or solve natural resource problems on their land and in their communities. Field office staff work side-by-side with employees of the local conservation districts and State conservation

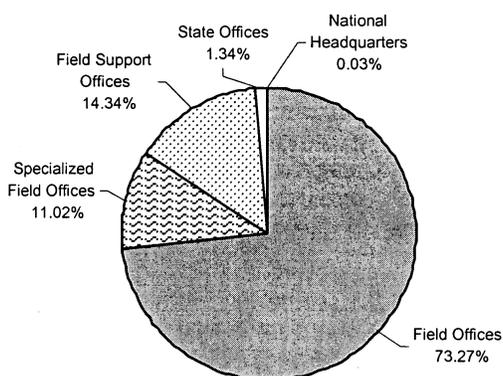
agencies. These offices function as a clearinghouse for natural resource information, helping people gain access to knowledge and assistance available from local, State, regional, and national sources. Field offices are located in all States, Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, the Northern Mariana Islands, Micronesia, Palau, and the Marshall Islands. Ninety percent of these 2,785 field offices are located in USDA Service Centers and co-located with offices of Rural Development and Farm Services Agency; the rest are program delivery offices generally located with conservation districts.

- Specialized Field Offices. Another 11 percent of NRCS field offices (419) provide customer service that is more specialized such as the rural community development through Resource Conservation and Development offices or offices focused on delivering technical or financial assistance for water quality improvement.

Field Support Offices. The remaining 14 percent of NRCS' 3,800 offices that are in the field house employees who provide critical technical and administrative support to customer service offices. The other field-located offices include: 1) Area offices that provide administrative and technical support to a group of field offices (these offices are generally used in larger states); 2) Project offices that are headquarters for watershed or river basin planning and construction activities; 3) Soil survey offices that inventory and map the soil resource on private lands resulting in current and consistent interpretations and data sets; and 4) Plant Material Centers that test, select, and release plants for conservation purposes in selected plant growth regions throughout the United States.

State Offices. These 51 offices provide program planning and direction, consistency and accountability, and administration of a comprehensive soil, water, and related resource conservation program for each State, Pacific Islands Area and Caribbean Area. State offices also have the responsibility for the technical integrity of the NRCS activities; technology transfer and training; marketing of the agency programs and initiatives; and administrative operations and processing. State offices partner with other Federal and State agencies to provide solutions to State resource issues. A State Conservationist heads the NRCS organization in each State except Hawaii. In the Pacific Islands Area (which includes Hawaii) and the Caribbean Area, Directors serve a leadership role similar to State Conservationists.

**NRCS Offices
Kind and Percent**



National Headquarters (NHQ). NRCS assumes the departmental leadership for programs and other activities assigned by the Secretary of Agriculture, through the Under Secretary for Natural Resources and Environment. The Chief, with the assistance of the Associate Chief and Deputy Chiefs, carries out NHQ functions. Those functions include: 1) planning, formulation and direction of NRCS programs, budgets, and activities; 2) development of program policy, budgets, procedures, guidelines and standards; 3) leadership and coordination with other agencies, constituent groups and organizations; 4) workload assessment and operations management; 5) oversight and evaluation activities and coordination of corrective actions; and 5) strategic planning and strategic initiative development.

NHQ is responsible for the framework for national technology development and delivery within the agency. Natural resource technology is developed and delivered through six national headquarters divisions, 11 national centers (cartography and geospatial; design, construction and soil mechanics; plant data; soil survey; water management; and water and climate), and three National Technology Support Centers (NTSC). NTSCs acquire and/or develop new science and technology in order to provide cutting-edge technological support and direct assistance, and technology transfer to States, Pacific Islands Area and

the Caribbean Area. These Centers also develop and maintain national technical standards and other technological procedures and references.

Accountability. The NRCS accountability system provides accurate and timely information for Agency managers without imposing an excessive reporting burden on front-line employees. The NRCS Accountability Information Management System (AIMS) is both web-based and location-based. AIMS provides real time information on Agency budget, performance, and results to anyone who clicks on the Accountability tab on the www.nrcs.usda.gov web-site.

The 2002 Farm Bill is the largest federal investment in the soil, water, and other natural resources associated with private working lands in U.S. history. This investment generated a major increase in conservation technical assistance workload. The accountability system gives the Agency a firm foundation of accurate information to address the magnitude of the 2002 Farm Bill and the technical service provider provisions. NRCS is making full use of the AIMS to meet these demands while improving efficiency and effectiveness.

During FY 2007, NRCS continued to integrate budget and performance. The following improvements were made.

- Complete revision of the Performance Results System Goals application to allow data to be entered and tracked on a field office service center boundary or county boundary, which provides better field office management and performance tracking. The goal setting software is a key application that allows the Agency to measure the current year's progress against the goals necessary to meet the objectives in the strategic plan. It now allows individual field offices or counties and States to input goals for each service center, county and State in the nation. It is fully integrated with other NRCS systems and provides a highly improved user friendly interface that minimizes the workload on the field by providing reference data and management utility within the application.
- The Agency completed the Cost of Program model that allows the Agency to provide accurate cost estimates for practices, programs or conservation initiatives, as well as provide realistic budget estimates based on current activity costing data. NRCS' full cost of programs model estimates technical assistance program costs based on information in the AIMS. Earlier model runs proved useful in planning the efficient roll out of the 2002 Farm Bill programs and articulating the full costs of technical assistance. The Agency anticipates the new COP model will be very useful for costing program scenarios for the new farmbill.
- Prepared business requirements and began implementing an enterprise-wide Agency performance reporting strategy that will centralize all Agency data into an organized, easily accessible web-based application. Full implementation of this strategy could take two years.
- The Program Maintenance Tool (PMT) application was completed and accountability information (performance and technical assistance cost) can now be tracked for Congressional Earmarks and programs important at the State and local levels. In addition, the PMT will provide an easy and quick transition if the new farmbill includes additional or changed national programs.
- Continued use and enhancements to the Conservation Information System (CIS) which provides monthly reports for managing program costs and accomplishments. The CIS allows for improved management of program funds by national and State level managers. Data in the CIS includes financial data such as allocations and obligations, as well as payroll data for time, attendance, salaries, benefits, and performance measurement data.
- Continued development of an Executive Dashboard which is a report generator and visual dashboard for senior managers to monitor program performance and costs.
- During FY 2008 and FY2009, the Agency will continue to develop its comprehensive system that ensures program accountability and helps achieve the Performance Improvement Initiative in the President's Management Agenda. This system measures progress toward the Agency's strategic, performance, and business plans. A key initiative will be to continue to implement the Enterprise Data Access and Analysis Reporting Strategy that will provide a framework, information products, and a vision of how the Natural Resources Conservation Service (NRCS) can efficiently and effectively meet the growing demands, internally and externally, for timely, accurate, credible, and repeatable information. The Agency will develop an enterprise-wide reporting web site that will centralize all data into an organized, easily accessible web-based application. Full implementation of this strategy

will take two years. Data from the Agency's Conservation Information System and the Executive Dashboard will be included in this web site.

Strategic Plan. In FY2006, NRCS began implementing its new strategic plan that sets the Agency's priorities and direction for the next 10 to 20 years. The plan establishes six mission goals and outcomes:

1. High Quality, Productive Soils
 - Soil Quality. The quality of intensively used soils is maintained or enhanced to enable sustained production of a safe, healthy and abundant food supply.
2. Clean And Abundant Water
 - Water Quality. The quality of surface waters and groundwater is restored and maintained to protect human health, support a healthy environment, and encourage a productive landscape.
 - Water Management. Water is conserved and protected to ensure an abundant and reliable supply for the Nation.
3. Healthy Plant And Animal Communities
 - Grassland, Rangeland, and Forest Ecosystems. Grassland, range, and forest ecosystems are productive, diverse, and resilient.
 - Fish and Wildlife Habitat. Working lands and waters provide habitat for diverse and healthy wildlife, aquatic species, and plant communities.
 - Wetlands. Wetlands protect water quality, reduce flood damages, and provide habitat for migratory birds and other wildlife.
4. Clean Air. Agriculture makes a positive contribution to local air quality and the Nation's efforts to sequester carbon.
5. An Adequate Energy Supply. Agricultural activities conserve energy and agricultural lands are a source of environmentally sustainable biofuels and renewable energy.
6. Working Farm and Ranch Lands. Connected landscapes sustain a viable agriculture and natural resource quality.

The strategic plan's two Management Initiatives describe operational priorities for the Agency:

1. Ensuring Civil Rights.
 - Equal Employment Opportunity. NRCS is committed to an equal opportunity standard for excellence through a highly skilled workforce that is diverse at all levels and ensures equal access to Agency products and services. NRCS employees value diversity and recognize a culturally diverse workforce as an essential element in providing quality products and services to a varied and changing customer base.
 - Fair and Equitable Service Delivery. NRCS employees are committed to providing equitable service to all customers, and providing the products and services in ways best suited to their varied needs.
2. Improving Internal Management. Good management of internal business processes and Agency resources is essential to efficient program operations, high-quality customer service, and effective use of the public investment. NRCS leaders and managers will emphasize strategic human capital management, effective use of internet-based technology; efficient management of the Federal investment in conservation, and budget and performance integration to improve the efficiency of Agency operations.

NRCS leadership continues an aggressive effort to ensure effective implementation of the Agency strategic plan. That effort includes:

- Implementation of a communications strategy to reach across the Agency, USDA, and other Federal counterparts, as well as to partners, customers, and other entities.
- Definition and prioritization of critical implementation needs by Agency leadership.
- Integration of actions that support strategic priorities into FY 2008 business plans at National Headquarters and in States offices.
- Revision of Agency annual performance measures and personnel performance plan metrics to align clearly with strategic plan priorities and ensure a workable approach to report on progress.

- Initiation of a Balanced Scorecard process to measure and report on progress toward strategic plan priorities. The Scorecard will continue to be integrated into the NHQ management system during FY 2008.

NRCS Stand-Alone Audit.

During 2008, NRCS will undergo its first stand-alone financial audit. Some preparatory work for this audit was completed in 2007. NRCS is working to address issues raised by the preparatory work and will continue to address any issues that may arise from this ongoing 2008 audit.

Completed and On-going Audits.

FY 2007 General Accounting Office (GAO) and Office of Inspector General (OIG) completed audits:

- GAO 360194 Conservation Compliance (April 2002). Final report posted by GAO September, 2007.
- GAO 360388 (GAO-05-58) USDA Should Improve Its Methods For Estimating Technical Assistance Cost (August, 2003). GAO posted final report November, 2007.
- GAO 360649 Coordination of Habitat Programs (GAO-07-35) USDA Conservation Programs Stakeholders Views on Participation and Coordination to Benefit Threatened and Endangered Species and Their Habits (November, 2007). GAO posted report November 2007.
- GAO 360710 USDA's Implementation of Highly Erodible Cropland and Wetlands Conservation Provisions (May, 2006). No written report. GAO closed audit August, 2007.
- GAO 360771 Impact of USDA Payments and Sodbuster on Grassland Conversions to Cropland (October, 2006). Final report posted by GAO September, 2007.
- OIG 10099-3-SF Wetlands Reserve Program – Compensation for Easements (April, 2003). Final Report issued August, 2005. Request for closure on all recommendations (1-20) – August, 2006.
- OIG 10099-5-SF Farm and Ranchlands Protection Program (September, 2005). Final Report issued September, 2006. Audit closed August, 2007.
- OIG 10501-1-SF Water and Climate Information System Review of Application Controls (January, 2004). Report issued December, 2004. Audit closed August, 2007.
- OIG 10501-5-FM NRCS Application Controls –Program Contracts System (ProTracts) (January, 2005). Report issued July, 2006. Audit closed September, 2007.
- OIG 10601-3-CH Improper Payments – Monitoring the Progress of Corrective Actions for High Risk Programs in NRCS (February, 2006). Final Report issued June, 2006. Audit warranted no formal reporting.

FY 2007 GAO and OIG started or open audits:

- GAO 310791 – USDA Farmers Benefits System (May, 2007). In Progress. FSA has lead in this audit.
- GAO 360662 South Florida Ecosystem Restoration Initiative (October, 2006). In Progress. Dept of Interior has the lead for this audit.
- GAO 360749 Coastal Wetlands Protection. GAO-08-130 final report issued November, 2007.
- GAO 360757 Review of Fish and Wildlife Services Mgmt. of Farm Service Agency (February, 2007). In Progress. FSA has lead for this audit.
- GAO 360761 Support to Beginning Farmers Limited Resources Producers and Indian Tribes. (September, 2006). GAO-07-1130 final report posted September 2007.
- GAO 360766 Ecosystem Management Policies and Procedures Adopted by Federal Agencies (October, 2006). FS has the lead for this audit. Audit name changed to Collaborative Resource Management. In Progress.
- GAO 360818 U.S. Fish and Wildlife Service's Mgmt of Prairie Potholes. (March, 2007). In Progress. USFWS has lead for this audit.
- GAO 450241 Review of Administrative Remedies in the Federal Employee EEO Complaint Process (February, 2007). In Progress.
- GAO 450450 Assessment of the National Strategy, Framework & Implementation Plan for Pandemic Influenza. (October, 2006). In Progress.
- GAO 450517 Judgment Fund Reimbursement Requirements on the Operations of Federal Agencies (March, 2007). In Progress.

- GAO 460579 Critical Infrastructure Protection Coordination Issues (December, 2005). Department of Homeland Security is the lead. Continue monitoring will determine whether final review will be warranted.
- GAO 543177 Federal Leasing Trends and Challenges (September, 2006). In Progress. GSA has the lead for this audit.
- OIG 10001-1-HY Review Contract Administration at NRCS to Support Hurricane Relief Efforts (January, 2006). Final Report issued March, 2007. OIG concur with mgmt decision for all recommendations. Request for closure pending submission of supporting documentation- 2nd quarter FY2008.
- OIG 10099-1-TE Security over NRCS Information Technology Resources (April, 2000). Agency will re-submit contingency plans to OCFO for closure 3rd quarter FY2008.
- OIG 10099-10-KC Homeland Security, NRCS Protection of Federal Assets (April, 2002). Closure pending issuance of policy.
- OIG 50099-11-SF Crop Base Acres on Conservation Easement Lands (May, 2005). NRCS has responsibility for Recommendations 1 and 5. NRCS will request closure 2nd quarter FY2008 pending state training.
- OIG 50099-52-TE AGI Limitations (August, 2006). In Progress.
- OIG 50401-62-FM Department of Agriculture Consolidated Financial Statement Audit (May, 2007). In Progress.
- OIG 50601-13-CH Implementation of Renewable Energy Programs in USDA (March, 2007). In Progress. RD has lead for this audit.
- OIG 50601-13-KC (Effectiveness of the NRCS Status Review Process (April, 2007). In Progress.
- OIG 50601-10 -Hq Saving the Chesapeake Bay Watershed Requires Better Coordination of Environmental and Agricultural Resources (May, 2005). Closure pending supporting documentation.
- OIG 50601-04-Hy Adequacy of Internal Controls Over Travel Card Expenditures Follow-up (November, 2006). In Progress. This is a follow-up audit to 50601-05-HQ, June, 2003.
- OIG 50601-12-KC Hurricane Relief Initiative (NRCS and FSA) (May, 2005). In Progress. Agency response to official draft report was submitted September, 2007.
- OIG 50801-1-TE Urban Resources Partnership Program (June, 1998). Closure pending OIG/OGC inquiry.
- OIG 10099-4-SF Wetlands Reserve Program Restoration Compliance (January, 2006). In Progress.
- OIG 10601-1-At Flood Control Dam Rehabilitation (December, 2006). In Progress.
- OIG 10601-04-KC NRCS Conservation Security Program (CSP) (November, 2006). In Progress.
- OIG 10601-7-TE NRCS Controls Over Vehicle Maintenance Costs (January, 2005). Report issued March, 2006. OCFO accepted all recommendations except 2(c). Agency will request closure for 2 (c) 2nd quarter FY2008.
- OIG-50401-62-FM Department of Agriculture Consolidated Financial Statement Audit (April, 2007). In Progress.
- OIG GSA-060082 Delegations of Authority to Lease Space (September, 2006). In Progress. GSA-OIG government-wide audit.

NATURAL RESOURCES CONSERVATION SERVICE
Available Funds and Staff-Years
2007 Actual and Estimated 2008 and 2009

Item	Actual 2007		Estimated 2008		Estimated 2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Conservation Operations.....	\$763,360,000	6,880	\$834,013,000	7,094	\$794,773,000	6,404
Healthy Forests Reserve Program.....	2,476,000	1	1,986,000	1	0	0
Watershed Surveys & Planning.....	6,056,170	41	0	0	0	0
Watershed & Flood Prevention Op.....	19,566,958	352	29,790,000	387	0	0
Watershed Rehabilitation Program.....	31,309,390	113	19,860,000	48	5,920,000	34
Resource Conservation & Develop.....	51,088,000	453	50,730,000	437	0	0
Total, Appropriated Funds.....	873,856,518	7,840	936,379,000	7,967	800,693,000	6,438
Carryover Funds:						
Conservation Operations.....	46,103,287	0	27,478,479	0	0	0
Wetlands Reserve Program.....	1,892,131	0	1,551,190	0	0	0
Watershed & Flood Prevention Op...	385,101,863	0	181,461,296	0	0	0
Watershed Rehabilitation Program...	6,286,941	0	2,429,104	0	0	0
Colorado River Salinity.....	274,126	0	268,759	0	0	0
Water Bank Program.....	745,177	0	745,181	0	0	0
Forestry Incentives Program.....	5,818,138	0	5,611,533	0	0	0
Great Plains Conservation Prog.....	577,741	0	541,594	0	0	0
Resource Conservation & Devel.....	2,482,984	0	1,536,498	0	0	0
Transfer from CCC:						
Wildlife Habitat Incentives.....	9,611,086	0	8,994,604	0	0	0
Total, Available Funds.....	1,332,749,992	7,840	1,166,997,238	7,967	800,693,000	6,438
Obligations under other USDA						
appropriations:						
Farm Security & Rural Investment Program	1,744,492,899	2,872	2,088,752,000	3,561	1,813,479,000	3,308
Reimbursements for technical services to:						
Emergency Conservation Program (FSA).....	1,165,428	12	1,337,130	10	1,337,130	10
Foreign Details & Assign. (OICD)....	-5,964	0	0	0	0	0
Soil Survey (FS).....	179,103	2	271,528	3	271,528	3
Accelerate Soil Survey.....	117,883	1	180,028	2	180,028	2
Other Planning & Application.....	79,635,974	798	60,002,242	478	84,002,242	841
PMC Operations.....	114,945	2	80,063	1	80,063	1
Reimbursements for other services:						
Facilities: Rent, phone, utilities, etc..	9,645,499	0	10,322,852	0	10,322,852	0
Miscellaneous.....	1,719,191	10	2,039,692	10	2,039,692	10
Total, Other USDA Approp.....	1,837,064,958	3,697	2,162,985,535	4,065	1,911,712,535	4,175
Total, Agriculture Appropriations.....	3,169,814,950	11,537	3,329,982,773	12,032	2,712,405,535	10,613

NATURAL RESOURCES CONSERVATION SERVICE
Available Funds and Staff-Years
2007 Actual and Estimated 2008 and 2009
(Continued)

Item	Actual 2007		Estimated 2008		Estimated 2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
<u>Other Federal Funds:</u>						
Reimbursement for technical services for:						
Soil surveys (Interior).....	0	0	0	0	0	0
Accelerate Soil Survey.....	\$2,817,269	31	\$4,321,196	49	\$4,321,196	49
Other: planning & application.....	6,425,905	63	4,943,104	40	2,146,104	18
Snow Survey & Water Forecast.....	123,447	1	153,458	1	153,458	1
Plant Materials Center Operations....	1,390,729	14	982,191	12	982,191	12
Bureau of Land Management.....	646,840	8	987,838	11	987,838	11
Reimbursement for other services:						
Facilities: Rent, phone, utilities, etc..	388,138	0	404,779	0	404,779	0
Cartographic job work.....	0	0	0	0	0	0
Proceeds of sales.....	-30,942	0	0	0	0	0
Financial assistance.....	30,407,422	0	29,540,425	0	7,715,625	0
Miscellaneous.....	3,450,875	35	4,246,411	34	4,187,411	34
Rural Abandoned Mine Program (DOI-OSM).....						
	0	0	0	0	0	0
Total, Other Federal Funds.....	45,619,683	152	45,579,402	147	20,898,602	125
<u>Non-Federal Funds:</u>						
Reimbursement for technical services for:						
Planning & application.....	3,384,230	38	3,160,826	26	3,056,626	25
Accelerate Soil Surveys.....	1,712,331	24	0	0	0	0
Snow Survey & Water Forecast.....	250,918	1	301,915	1	301,915	1
Plant Materials Center Operations....	239,651	1	166,924	1	166,924	1
Cartographic job work.....	0	0	0	0	0	0
A&E Contracting.....	0	0	0	0	0	0
Reimbursement for other non-Federal services:						
Facilities: Rent, phone, utilities, etc..	1,417,637	0	1,639,877	0	1,639,877	0
Proceeds of sales.....	-6,947	0	0	0	0	0
Financial assistance.....	6,403,796	0	5,435,000	0	0	0
Miscellaneous.....	3,937,027	24	4,082,521	22	3,702,521	21
Trust funds.....	3,241,631	2	2,919,852	1	270,000	1
Total, Non Federal Funds.....	20,580,274	90	17,706,915	51	9,137,863	49
Total, NRCS.....	3,236,014,907	11,779	3,393,269,090	12,230	2,742,442,000	10,787

NATURAL RESOURCES CONSERVATION SERVICE
Permanent Positions by Grade and Staff-Year Summary
2007 Actual and Estimated 2008 and 2009

GRADE	2007			2008			2009		
	HDQ	FIELD	TOTAL	HDQ	FIELD	TOTAL	HDQ	FIELD	TOTAL
Senior Executive Service..	25	3	28	26	3	29	23	3	26
GS-15	76	68	144	80	72	152	71	63	134
GS-14	120	175	295	126	184	310	111	163	274
GS-13	73	507	580	77	534	611	68	471	539
GS-12	29	3,108	3,137	31	3,273	3,304	27	2,887	2,914
GS-11	26	2,581	2,607	27	2,718	2,745	24	2,398	2,422
GS-10	2	29	31	2	31	33	2	27	29
GS-9	43	1,637	1,680	45	1,724	1,769	40	1,521	1,561
GS-8	16	480	496	17	506	523	15	446	461
GS-7	10	1,456	1,466	11	1,533	1,544	9	1,353	1,362
GS-6	4	393	397	4	414	418	4	365	369
GS-5	2	226	228	2	238	240	2	210	212
GS-4	4	135	139	4	142	146	4	125	129
GS-3	0	29	29	0	31	31	0	27	27
GS-2	0	7	7	0	7	7	0	7	7
GS-1	0	0	0	0	0	0	0	0	0
Other Graded Positions	0	0	0	0	0	0	0	0	0
Ungraded Positions	0	0	0	0	0	0	0	0	0
Total Permanent Positions	430	10,834	11,264	452	11,410	11,862	400	10,066	10,466
Unfilled Positions, end-of-year	31	134	165	0	0	0	0	0	0
Total, Permanent Employment, end-of-year	399	10,700	11,099	452	11,410	11,862	400	10,066	10,466
Staff-Year Estimate	450	11,329	11,779	467	11,763	12,230	412	10,375	10,787

NATURAL RESOURCES CONSERVATION SERVICE
Size, Composition and Cost of Motor Vehicle Fleet

Travel by most field NRCS employees require a high degree of mobility with frequent stops at field offices, job sites (farms and ranches), and other areas where common carrier transportation is non-existent, uneconomical, or inadequate. Employees require pickup trucks and sport utility vehicles (SUV) to drive on agricultural land to provide technical assistance to farmers and ranchers, and to transport large engineering and other field equipment. NRCS vehicles are distributed among field, area, and state offices in the 50 States, Caribbean and Pacific Basin. NRCS has no vehicles in Washington, D.C. Passenger vehicles are assigned to an office location. Several employees use a single vehicle, maximizing its use and minimizing the number of vehicles at a location.

NRCS requires annual vehicle inspections and certification to ensure that vehicles are safe and reliable. NRCS policy for the replacement of motor vehicles is based on economy and safety. Industry standards and experience indicate that it is economical and safe to operate vehicles beyond the minimum standards set forth in FMR 102-34.280; GSA leased vehicles are replaced based on FMR. NRCS maximizes purchases of Alternative Fuel Vehicles.

Changes to the motor vehicle fleet. At the end of FY 2007, the NRCS had 1,366 passenger vehicles in a fleet of 10,992 sedans, station wagons, vans, SUVs, and trucks. The fleet size is 352 vehicles more than FY 2006. NRCS has a GSA-leased fleet of 531 vehicles that includes 206 passenger vehicles. NRCS anticipates a decrease 641 vehicles in the fleet in FY 2008.

Replacement of Agency-Owned Passenger Motor Vehicles. In FY 2008, NRCS will dispose of 1,395 passenger vehicles that meet replacement criteria and buy 754.

Impediments to managing the motor vehicle fleet. Alternative fuel is not available at many rural, remote NRCS field locations. NRCS continues to purchase alternative fuel vehicles and to use alternative fuel as it becomes available at field locations. High fuel costs continue to be an impediment for managing the motor vehicle fleet in the most cost effective manner.

Size, Composition, and Annual Cost
(in thousands of dollars)

Fiscal Year	Number of Vehicles by Type ¹							Total Vehicles	Annual Operating Costs
	Sedans & Station Wagons	Light Trucks, SUV, Vans		Medium Trucks	Heavy Trucks	Ambulances	Buses		
		4X2	4X4						
2006	1,202	4,796	3,809	798	35	0	0	10,640	\$11,084
Change	-229	-1,331	+414	+798	+35	0	0	-313	-5,504
2007	1,366	4,832	4,556	215	23	0	0	10,992	\$12,876
Change	+164	+36	+747	-583	-12	0	0	+352	+1,792
2008	1,413	4,177	4,533	201	27	0	0	10,351	\$10,000
Change	+47	-655	-23	-14	+4	0	0	-641	-2,876
2009	1,418	4,109	4,505	191	26	0	0	10,249	\$9,929
Change	+5	-68	-28	-10	-1	0	0	-102	-71

Numbers include agency-owned and GSA-leased vehicles. NRCS does not have any commercial leased vehicles.

NATURAL RESOURCES CONSERVATION SERVICE
Conservation Operations

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Conservation Operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [~~\$840,326,000~~] \$794,773,000 to remain available until June 30, 2010[2009]: Provided, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, that this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974, (43 U.S.C. 1592(c)): Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service.

NATURAL RESOURCES CONSERVATION SERVICE
Conservation Operations

Appropriation Act, 2008	\$840,326,000
Budget Estimate, 2009	<u>794,773,000</u>
Decrease in Appropriation	<u>-45,553,000</u>

Adjustments in 2008:

Appropriations Act, 2008.....	\$840,326,000
Rescission under P.L.110-161 <u>a/</u>	-5,882,000
Activities transferred to Departmental Administration	
Office of Ethics <u>b/</u>	<u>-431,000</u>
Adjusted base for 2008	\$834,013,000
Budget Estimate, Current Law, 2009	<u>794,773,000</u>
Decrease under adjusted 2008	<u>-39,240,000</u>

a/ The amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

b/ Beginning with 2008, the Department will transfer and consolidate all Ethics activities under the Office of Ethics in Departmental Administration (DA). On a comparable basis the full annual cost of the activities is \$431,000 for FY 2009.

Summary of Increases and Decreases
(On basis of adjusted appropriation)

<u>Item of Change</u>	2008			2009
	Estimated	Pay Costs	Other Changes	Estimated
Conservation Operations:				
1. Conservation Technical Assistance.....	\$711,901,000	+\$12,105,000	-\$43,196,000	\$680,810,000
2. Grazing Lands Conservation Initiative.....	9,930,000	--	-9,930,000	--
3. Soil Survey.....	90,715,000	1,514,000	--	92,229,000
4. Snow Survey & Water Supply Forecasting.	10,685,000	121,000	--	10,806,000
5. Plant Materials Centers.....	10,782,000	146,000	--	10,928,000
Total Available.....	<u>834,013,000</u>	<u>13,886,000</u>	<u>-53,126,000</u>	<u>794,773,000</u>

NATURAL RESOURCES CONSERVATION SERVICE
Conservation Operations

Project Statement
(On basis of appropriation)

	<u>2007 Actual</u>		<u>2008 Estimated</u>		Increase or Decrease	<u>2009 Estimated</u>	
	Amount:	Staff: Years:	Amount:	Staff: Years:		Amount :	Staff Years
Conservation Operations:							
1. Technical Assistance	\$627,420,000:	5,724:	\$711,901,000:	6,096:	-\$31,091,000(1):	\$680,810,000:	5,525
2. Grazing Lands	27,225,000:	231:	9,930,000:	85:	-9,930,000 :	--:	--
3. Soil Surveys	87,782,000:	756:	90,715,000:	749:	+1,514,000(2):	92,229,000:	726
4. Snow Surveys	10,586,000:	71:	10,685,000:	71:	+121,000(3):	10,806,000:	68
5. Plant Materials	10,495,000:	98:	10,782,000:	93:	+146,000(4):	10,928,000:	85
Total, Available	763,508,000:	6,880:	834,013,000:	7,094:	-39,240,000 :	794,773,000:	6,404
Transfer from Congressional Relations	-148,000:	--:	--:	--:			
Transfer to the Office of Ethics Rescission.	--:	--:	+431,000:	3:			
	--:	--:	+5,882,000:	--:			
Total, Appropriation	763,360,000:	--:	840,326,000:	7,097:			

Project Statement
(On basis of available funds)

	<u>2007 Actual</u>		<u>2008 Estimated</u>		Increase or Decrease	<u>2009 Estimated</u>	
	Amount :	Staff: Years:	Amount :	Staff: Years:		Amount :	Staff Years
Conservation Operations:							
1. Technical Assistance	\$647,328,794:	5,724:	\$735,448,782:	6,096:	-54,638,782:	\$680,810,000:	5,525
2. Grazing Lands	27,225,000:	231:	9,930,000:	85:	-9,930,000:	--:	--
3. Soil Surveys	90,638,116:	756:	93,314,174:	749:	-1,085,174:	92,229,000:	726
4. Snow Surveys	10,789,085:	71:	10,965,064:	71:	-159,064:	10,806,000:	68
5. Plant Materials	11,884,125:	98:	11,833,459:	93:	-905,459:	10,928,000:	85
Total, Direct Obligations	787,865,120:	6,880:	861,491,479:	7,094:	-66,718,479:	794,773,000:	6,404
Unobligated Bal. Brought Fwd.	(-25,415,305)	--:	(-27,478,479)	--:	(+27,478,479)	--:	--
Prior Year Recoveries	(-26,420,294)	--:	--:	--:	-- :	--:	--
Unobligated. Bal. Carried Fwd..	(+27,478,479)	--:	--:	--:	-- :	--:	--
Adjusted Appropriation	(763,508,000)	--:	(834,013,000)	--:	(-39,240,000)	(794,773,000)	--
Reimbursable Obligations:							
Conservation Tech. Assist	30,323,986:	113:	35,000,000:	106:	--:	35,000,000:	106
Soil Surveys	6,316,765:	74:	7,000,000:	76:	--:	7,000,000:	76
Snow Survey & Water	:	:	:	:	:	:	:
Supply Forecasting	503,177:	2:	600,000:	2:	--:	600,000:	2
Plant Materials Centers	1,987,350:	19:	1,400,000:	15:	--:	1,400,000:	15
Total Reimbursable Oblig	39,131,278:	208:	44,000,000:	199:	--:	44,000,000:	199
Obligational Authority	826,996,398:	7,088:	905,491,479:	7,293:	-66,718,479:	838,773,000:	6,603

Justification of Increases and Decreases(1) A net decrease of \$41,021,000 for Conservation Technical Assistance (\$721,831,000 available in 2008):a) An increase of \$12,105,000 to fund increased pay costs.

The increase for pay will enable NRCS to maintain current staffing levels which are critical to the Agency's objective of providing adequate levels of conservation technical assistance to farmers and protecting the natural resource base on private lands. It will also protect the vital conservation partnership that has been developed over many years with cooperating Federal, state, and local agencies that have made serious commitments and investments to the conservation effort. The increased pay cost funds are needed to avoid any disruption or delays in the Conservation Technical Assistance program activities and will be used to pay the increased salaries and benefits costs for the 5,525 FTE's funded in Conservation Technical Assistance in the FY 2009 budget request.

b) A decrease of \$9,930,000 in Conservation Technical Assistance for the Grazing Lands Conservation Initiative.

This decrease reflects a realignment of the Administration's priorities and the need to reduce duplicative activities in order to maximize limited resources. The Agency will continue to maintain and improve the management, productivity, and health of the Nation's privately owned grazing lands through ongoing activities within the Conservation Technical Assistance program and the Environmental Quality Incentives program. These ongoing initiatives will limit the impact of this decrease and assure the sustainability of private grazing lands for future use.

c) A decrease of \$43,196,000 in Conservation Technical Assistance program activities.

In FY 2008, Congress included over \$43 million of earmarks in the Conservation Operations programs. This decrease in funding will eliminate Congressional earmarks in the Conservation Technical Assistance (CTA) account and enable the Agency to direct more funding to higher priority activities within the CTA account. CTA provides help to people through technical assistance on private lands and protects the Nation's natural resource base by using science-based technology. In addition, the CTA account provides the necessary funding for NRCS' management activities; resource assessments at the local, regional and national level; conservation technology development; and conservation standards development.

(2) An increase of \$1,514,000 for Soil Survey Program (\$90,715,000 available in 2008):a) An increase of \$1,514,000 to fund increased pay costs.

The increase for pay will enable NRCS to maintain current staffing levels which are critical to the Agency's objective of providing adequate levels of conservation technical assistance to farmers and protecting the natural resource base on private lands. It will also protect the vital conservation partnership that has been developed over many years with cooperating Federal, state, and local agencies that have made serious commitments and investments to the conservation effort. The increased pay cost funds are needed to avoid any disruption or delays in the Soil Surveys program activities and will be used to pay the increased salaries and benefits costs for the 726 FTE's funded in Soil Surveys in the FY 2009 budget request.

(3) An increase of \$121,000 for Snow Surveys and Water Supply Forecasting (\$10,685,000 available in 2008):a) An increase of \$121,000 to fund increased pay costs.

The increase for pay will enable NRCS to maintain current staffing levels which are critical to the Agency's objective of providing adequate levels of conservation technical assistance to farmers and protecting the natural resource base on private lands. It will also protect the vital conservation partnership that has been developed over many years with cooperating Federal, state, and local agencies that have made serious commitments and investments to the conservation effort. The increased pay cost funds are needed to avoid any disruption or delays in the Snow Survey and Water Supply Forecasting program activities and will be used to pay the increased salaries and benefits costs for the 68 FTE's funded in Snow Survey and Water Supply Forecasting in the FY 2009 budget request.

(4) An increase of \$146,000 for Plant Materials Program (\$10,782,000 available in 2008):a) An increase of \$146,000 to fund increased pay costs.

The increase for pay will enable NRCS to maintain current staffing levels which are critical to the Agency's objective of providing adequate levels of conservation technical assistance to farmers and protecting the natural resource base on private lands. It will also protect the vital conservation partnership that has been developed over many years with cooperating Federal, state, and local agencies that have made serious commitments and investments to the conservation effort. The increased pay cost funds are needed to avoid any disruption or delays in the Plant Materials Center program activities and will be used to pay the increased salaries and benefits costs for the 85 FTE's funded in Plant Materials Center in the FY 2009 budget request.

NATURAL RESOURCES CONSERVATION SERVICE
Conservation Operations

**Geographic Breakdown of Obligations and Staff Years
2007 Actual and Estimated 2008 and 2009**

	2007		2008		2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama.....	\$12,376,838	114	\$13,533,500	118	\$12,485,400	107
Alaska.....	4,107,959	35	4,491,900	36	4,144,000	32
Arizona.....	7,796,035	69	8,524,600	71	7,864,400	64
Arkansas.....	11,784,065	137	12,885,300	142	11,887,400	128
California.....	19,515,440	185	21,339,200	191	19,686,500	172
Colorado.....	16,770,539	153	18,337,700	158	16,917,600	142
Connecticut.....	3,142,847	27	3,436,600	27	3,170,400	25
Delaware.....	2,353,391	24	2,573,300	25	2,374,000	23
Florida.....	10,339,382	96	11,305,600	99	10,430,000	89
Georgia.....	13,236,551	149	14,473,500	153	13,352,600	138
Hawaii.....	4,597,012	43	5,026,600	45	4,637,300	40
Idaho.....	10,753,802	118	11,758,700	121	10,848,100	110
Illinois.....	17,170,658	189	18,775,200	195	17,321,200	176

	2007		2008		2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Indiana	13,503,276	136	14,765,100	141	13,621,700	127
Iowa	24,360,584	276	26,637,000	284	24,574,200	257
Kansas.....	20,582,945	236	22,506,500	244	20,763,400	220
Kentucky.....	13,664,848	143	14,941,800	147	13,787,700	133
Louisiana	10,606,638	117	11,597,900	121	10,699,600	109
Maine.....	5,257,225	55	5,748,600	57	5,303,300	52
Maryland.....	5,591,540	56	6,114,100	58	5,640,600	52
Massachusetts	3,610,531	33	3,948,000	34	3,642,200	31
Michigan.....	11,912,718	125	13,026,000	129	12,017,200	117
Minnesota.....	16,276,979	190	17,798,000	195	16,419,700	176
Mississippi.....	15,117,790	171	16,530,600	176	15,250,300	159
Missouri.....	21,130,539	240	23,105,200	248	21,315,800	224
Montana.....	19,441,642	218	21,258,500	225	19,612,100	203
Nebraska.....	17,088,938	180	18,685,900	186	17,238,800	168
Nevada.....	5,757,619	43	6,295,700	44	5,808,100	40
New Hampshire	2,511,370	22	2,746,100	23	2,533,400	20
New Jersey.....	4,152,762	41	4,540,800	43	4,189,200	39
New Mexico	9,348,265	99	10,221,800	103	9,430,200	93
New York.....	10,449,127	110	11,425,600	114	10,540,700	103
North Carolina.....	11,396,146	127	12,461,100	131	11,496,100	118
North Dakota	14,944,956	150	16,341,500	155	15,076,000	139
Ohio.....	15,104,507	134	16,516,000	138	15,236,900	125
Oklahoma.....	17,362,609	202	18,985,100	208	17,514,800	188
Oregon.....	12,729,644	121	13,919,200	125	12,841,300	113
Pacific Basin.....	2,385,205	18	2,608,100	18	2,406,100	17
Pennsylvania.....	10,402,941	126	11,375,100	129	10,494,200	117
Puerto Rico.....	3,603,469	41	3,940,200	42	3,635,100	38
Rhode Island.....	1,466,408	11	1,603,500	12	1,479,300	11
South Carolina.....	7,737,613	81	8,460,700	84	7,805,500	75
South Dakota.....	13,380,658	140	14,631,100	145	13,498,000	130
Tennessee.....	13,122,185	136	14,348,500	140	13,237,200	127
Texas.....	46,892,442	477	51,274,600	492	47,303,600	444
Utah.....	7,783,386	72	8,510,700	74	7,851,600	67
Vermont.....	3,375,858	34	3,691,400	35	3,405,500	31
Virginia.....	9,373,486	101	10,249,400	104	9,455,700	94
Washington.....	11,866,837	118	12,975,800	122	11,970,900	110
West Virginia.....	8,140,485	94	8,901,200	97	8,211,900	88
Wisconsin.....	15,151,488	168	16,567,400	174	15,284,300	157
Wyoming.....	8,863,623	88	9,691,900	91	8,941,300	82
National Hdqtr.....	137,931,518	282	150,821,279	286	139,137,600	257
National Centers.....	39,657,250	254	43,363,200	262	40,005,000	237
Nat. Tech. Sup. Cent.....	10,882,551	75	11,899,600	77	10,978,000	70
Total Obligations/Est.....	787,865,120	6,880	861,491,479	7,094	794,773,000	6,404

NATURAL RESOURCE CONSERVATION SERVICE
Conservation Operations

Classification by Objects
2007 Actual and Estimated 2008 and 2009

Personnel Compensation:	<u>2007</u>	<u>2008</u>	<u>2009</u>
Washington, D.C.	\$29,500,113	\$31,373,000	\$29,154,000
Field.....	<u>403,746,183</u>	<u>429,384,000</u>	<u>399,578,000</u>
11 Total personnel compensation	433,246,296	460,757,000	428,732,000
12 Personnel benefits	130,516,618	138,833,000	129,138,000
13 Benefits for former personnel	<u>73,256</u>	<u>78,000</u>	<u>71,000</u>
Total Pers. Comp. & Benefits	<u>563,836,170</u>	<u>599,668,000</u>	<u>557,941,000</u>
Other Objects:			
21 Travel.....	14,257,121	14,991,000	13,949,000
22 Transportation of things	4,114,692	4,348,000	4,012,000
23.1 Rent payments to GSA.....	--	--	--
23.2 Rental payments to others	21,637,935	22,840,000	21,120,000
23.3 Communications, utilities, and misc. charges.....	14,427,077	15,205,000	14,076,000
24 Printing and reproduction.....	1,915,767	1,985,000	1,894,000
25.1 Advisory and assistance services	--	--	--
25.2 Other services	137,289,960	150,614,479	133,892,000
25.2 Construction contracts	--	--	--
26 Supplies and materials	12,790,071	13,437,000	12,484,000
31 Equipment.....	16,228,274	37,038,000	34,131,000
32 Land and structures	1,119,890	1,102,000	1,030,000
41 Grants.....	--	--	--
42 Insurance and loans.....	195,234	207,000	192,000
43 Interest and dividends	54,021	56,000	52,000
44 Refunds	<u>-1,092</u>	<u>--</u>	<u>--</u>
Total other objects.....	<u>224,028,950</u>	<u>261,823,479</u>	<u>236,832,000</u>
Total, direct obligations.....	<u>787,865,120</u>	<u>861,491,479</u>	<u>794,773,000</u>

Position Data:

Average Salary, ES positions	\$153,148	\$157,589	\$162,317
Average Salary, GS positions	\$59,811	\$61,546	\$63,392
Average Grade, GS positions	8	8	8

**NATURAL RESOURCES CONSERVATION SERVICE
CONSERVATION OPERATIONS ACCOUNT
STATUS OF PROGRAMS**

Conservation Operations is authorized by the Soil Conservation and Domestic Allotment Act of 1935, P.L. 74-46 (16 U.S.C. 590a-590f) and the Soil and Water Resources Conservation Act of 1977, (16 U.S.C. 2001-2009). The purpose of Conservation Operations is to provide technical assistance supported by science-based technology and tools that help people conserve, maintain, and improve the Nation's natural resources.

The Conservation Technical Assistance Program is the major delivery program within the Conservation Operations account. In addition, the account includes three other programs: Soil Surveys; Snow Survey and Water Supply Forecasting; and Plant Materials Centers. Funding in this account provides for the development and delivery of a major portion of the products and services associated with four of the Agency's five business lines: 1) Conservation Planning and Technical Consultation, 2) Conservation Implementation, 3) Natural Resource Inventory and Assessment, and 4) Natural Resource Technology Transfer. The fifth business line (Financial Assistance) is funded primarily through other programs.

Agency Strategic Plan. In FY 2006, NRCS completed a new strategic plan, which describes long-term goals and objectives that NRCS will help customers and partners achieve by 2010, and the strategies that will ensure NRCS efforts are effective. The strategic planning process assessed long-term trends and ensured that Agency activities will contribute to sustaining natural resources in the coming decades.

The new strategic plan includes six Mission Goals, developed with input and advice from partners and stakeholders. Mission Goals articulate in broad terms the benefits that the Nation expects to derive from NRCS activities and programs. Taken together, the goals describe the landscape that Americans want:

- | | |
|---|---------------------------------|
| 1. High Quality, Productive Soils | 4. Clean Air |
| 2. Clean and Abundant Water | 5. An Adequate Energy Supply |
| 3. Healthy Plant and Animal Communities | 6. Working Farm and Ranch Lands |

The first three goals are "Foundation Goals." They address the land uses and resource concerns that have been the primary focus of Agency activities throughout its existence and continue to be the foundation of a healthy landscape. For each of these goals, a specific, measurable objective is established for 2010. Annual performance measures that can be used to monitor progress toward the long-term objective are identified for each program, including the components of Conservation Operations. Annual targets will be set for each performance measure and used to justify budget requests. The last three goals are "Venture Goals" that address resource issues that are growing in importance as a result of current economic and demographic trends. NRCS is conducting further analysis of these three issues. In updating the strategic plan in FY 2008, the Agency will evaluate its role in addressing these issues to determine whether outcome goals and targets should be established.

The new strategic plan emphasizes overarching strategies for meeting natural resource goals and objectives. These strategies are cooperative conservation, watershed-based assistance, and the market-based approach. Conservation Operations provides the foundation for each of these strategies.

CONSERVATION TECHNICAL ASSISTANCE

Current Activities

Purpose. The broad purpose of the Conservation Technical Assistance (CTA) Program is to help private landowners, conservation districts, Tribes, local units of government, and other organizations by providing technical assistance through a national network of locally respected, technically skilled, professional conservationists. These conservationists deliver consistent, science-based, site-specific solutions to help

private landowners conserve, maintain, and improve the Nation's natural resource base. The CTA Program provides the essential building blocks necessary for NRCS to assist farmers, ranchers, other landowners, local groups, Tribes, and local units of governments to plan and implement natural resource conservation systems.

Agriculture and the quality of America's soil and water resources are vital to the Nation's welfare. Approximately 1.5 billion acres (79 percent of the total acres within the contiguous United States) are non-Federal land. Approximately 90 percent of these acres are cropland, rangeland, pastureland, and private non-industrial forestland. The care and health of these lands are in the hands of private individuals. NRCS and its partners cooperate in collective efforts to get conservation on the ground, help conserve the landscape, increase agricultural productivity, improve the environment, and strengthen the quality of life.

The Nation's natural resources are impacted by many factors including:

- The agricultural production and management systems used by farmers and ranchers,
- Federal, State, and local regulations and ordinances that place environmental requirements on landowners and land users,
- Growth and prosperity in non-agricultural sectors of the economy, which lead to the expansion of developed areas, and
- Weather extremes such as drought, flooding, hurricanes, and wildfires, which continue to cause substantial damage to soil, water, and other natural resources.

National CTA Program Priorities. The following were FY 2007 National CTA Program priorities:

- Reduction in soil erosion and sedimentation from unacceptable levels on agricultural land;
- Comprehensive Nutrient Management Plans (CNMP) to assist the owners and operators of animal feeding operations to address their conservation needs, with an emphasis on helping those owners and operators who need to comply under the Environmental Protection Agency's (EPA) Concentrated Animal Feeding Operation (CAFO) rule;
- Reduction of non-point source pollution nutrients, sediment, pesticides, or excess salinity in impaired watersheds consistent with Total Maximum Daily Loads as well as the reduction of groundwater contamination and reduction of point sources such as contamination from confined animal feeding operations;
- Conservation of ground and surface water resources;
- Reduction of emissions particulate matter, nitrogen oxides (NO_x), volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards; and
- Promotion of at-risk species habitat conservation.

Demand for CTA Program-delivered Products and Services. The demand for the CTA Program has increased substantially over the years as a result of the:

- Fostering of new technologies and conservation practices to address emerging challenges such as nutrient management for animal feeding operations to improve water quality.
- Design of conservation systems to reduce the risk of climatic events such as improved irrigation management to mitigate effects of drought.
- Increased awareness and concern for natural resources has broadened the Agency's customer base as NRCS addresses growing niche enterprises (aquaculture, sustainable and organic farming, etc).
- Growing list of new customers such as Tribal governments, local communities, technical service providers, and non-government organizations who request NRCS expertise and assistance.
- Improvement and establishment of wetlands and wildlife habitat to address declining populations of fish and wildlife.
- Increased requests for financial assistance programs and the need for pre-program conservation planning support for the Emergency Watershed Protection Program and Commodity Credit Corporation-funded Farm Bill programs such as Klamath River Basin, Ground and Surface Water Conservation, Environmental Quality Incentives Program, Conservation Security Program, Wildlife

Habitat Improvement Program, Agricultural Management Assistance Program, and the Conservation Reserve Program.

To meet this demand and address program priorities, the CTA Program supports the development and delivery of products and services to address NRCS customers associated with the following four major Agency business lines:

- Conservation Planning and Technical Consultations: NRCS provides data, information, and technical expertise that help customers collect and analyze information to identify natural resource programs and opportunities, clarify their objectives, and formulate and evaluate alternatives.
- Conservation Implementation: NRCS helps customers install natural resource conservation practices and systems that meet established technical standards and specifications.
- Natural Resources Inventory and Assessment: NRCS assesses, acquires, develops, interprets, and delivers natural resource data and information to enable knowledge-based planning and decision making at all landscape scales.
- Natural Resource Technology Transfer: NRCS develops, documents, and distributes a wide array of technology pertaining to resources assessment, conservation planning and conservation system implementation and evaluation.

Conservation on the Ground. In FY 2007, the CTA Program was the major source of technical assistance to customers for planning and applying conservation practices and systems to protect and enhance natural resources on non-Federal land. These conservation actions deliver public benefits in the form of better soil quality, reduced delivery of sediment and nutrients to surface and ground waters, increased conservation of water supplies, healthier grazing and forest land ecosystems, diverse and healthier wildlife habitat, and improved wetlands condition and function. In FY 2007, the CTA Program helped meet the three NRCS Foundation Goals in the following ways:

High Quality, Productive Soils. Helping people ensure the quality of intensively worked soils is maintained or enhanced to enable sustained production of a safe, healthy and abundant food supply.

- Conservation plans for cropland written, acres: 10.3 million
- Cropland soils with erosion reduced to "T" (the tolerable rate of soil erosion) or below, acres: 3.9 million
- Soil Survey Geographic Data Base (SSURGO) certified digital soil surveys made available, acres: 120.2 million
- SSURGO certified digital soil surveys made available, number 238

Note: In FY 2007, conservation plans written under the Conservation Reserve Program were removed from the acres reported under the CTA Program to improve the alignment between budget and performance.

Clean and Abundant Water. Helping people ensure that the quality of surface waters and groundwater is improved and maintained to protect human health, support a healthy environment, and encourage a productive landscape; and that water is conserved and protected to ensure an abundant and reliable supply for the Nation.

- CNMP written, number: 2,658
- CNMP applied, number: 1,911
- Watershed or area-wide conservation plans developed for water or air quality, number: 220
- Land with conservation applied to improve irrigation efficiency, acres: 828,246

Healthy Plant and Animal Communities. Helping people ensure that grassland, rangeland, and forest ecosystems are productive, diverse, and resilient; that working lands and waters provide habitat for diverse and healthy wildlife, aquatic species, and plant communities; that wetlands provide quality habitat for migratory birds and other wildlife, protect water quality, and reduce flood damages.

- Conservation plans for grazing land written, acres: 26.4 million
- Grazing lands with conservation applied to protect the resource base, acres: 13.5 million

- Non-Federal land with conservation applied to improve fish and wildlife habitat quality, acres: 10.5 million
- Non-Federal lands managed for the protection and enhancement of habitats for species with declining populations, acres: 1.6 million
- Wetlands created, restored, or enhanced, acres: 62,092.

Grazing Lands Conservation. Private grazing lands include 405 million acres of rangeland and 117 million acres of pastureland, as well as 53 million acres of forested land. Some cropland acres are also used for grazing. Well managed grazing contributes substantially to the environmental well-being and to the agricultural economy of the United States. Healthy grazing lands benefit the landowner, local community residents, and society. Healthy grazing lands yield clean water for urban and rural uses, aids in flood protection, and reduce greenhouse gases through the exchange of carbon. Properly managed grazing lands reduce the impact of drought and provide aesthetic values, open space, and wildlife habitat.

Technical Assistance on Grazing Lands. In FY 2007, technical assistance provided to landowners and managers resulted in over 18 million acres of planned conservation systems and 13 million acres of applied conservation systems on grazing lands that resulted in an overall improvement in grazing land health. The conservation practice “prescribed grazing” (managing the controlled harvest of vegetation with grazing animals) was applied to more than nine million acres.

Grazing Lands Conservation Initiative. NRCS collaborates with the Grazing Lands Conservation Initiative (GLCI), a coalition of producer groups and environmental organizations dedicated to the protection and improvement of private grazing lands. In FY 2007, NRCS provided \$26.9 million to support GLCI activities. This funding supported technical assistance, training, and demonstrations targeted to improve the health of grazing lands.

Clean Water Activities. NRCS is addressing key water quality issues such as the potential environmental risks posed by animal feeding operations and impairment of water resources from nutrients, sediments, and pesticides. In addition, NRCS has been providing leadership for USDA efforts to enhance coordination with the EPA in areas of mutual interest related to water quality.

In FY 2007, NRCS conservation partners and technical service providers assisted 5,205 livestock and poultry producers to develop CNMPs for their operations. A total of 4,404 CNMPs planned in previous years were applied. A total of 33,609 CNMPs have been developed since FY 2002, with 21,389 of those implemented.

Pathogens/Dead Animals. In FY 2007, NRCS addressed the issue of conservation and pathogens in food safety and disease control. A contract was issued to the University of California, Davis to update the NRCS publication on waterborne pathogens that has become a widely used source for information on this subject.

Hypoxia. NRCS provided technical assistance to the Mississippi River/Gulf of Mexico Watershed Nutrient Task Force on its reassessment of hypoxia in the Gulf of Mexico. The Task Force is currently in the process of revising its Action Plan for reducing the size of the hypoxic zone in the Gulf, restoring and protecting the waters within the Mississippi/Atchafalaya River Basin, and improving community and economic conditions across the Basin.

Water Quality Leadership. During FY 2007, NRCS led in the development, advancement, and demonstration of new and innovative approaches to improving water quality. The following tools and activities highlight some of these advances:

- The Nitrogen Trading Tool (NTT) is a web-based model that measures the changes in nitrogen losses based on changed management practices and calculates nitrogen credits available for water quality credit trading projects. In FY 2007, NRCS completed the NTT prototype and will be validating the model on various water quality credit trading projects in Maryland and Ohio.

- NRCS has partnered with the Forest Service in the development of a market-based conservation proposal that modifies existing conservation programs to include competitive rates for greater environmental performance and includes the design of key elements of the infrastructure necessary to enable free markets for environmental services to grow.
- NRCS led a Departmental effort to promote market based conservation that in December of 2006 resulted in the codification of a USDA Policy Memorandum on Market-based Environmental Stewardship.

Natural Resources Inventory and Assessment. Products and services developed with CTA Program funds allow NRCS to acquire, analyze, interpret, and deliver natural resources data and information. Through this business line, knowledge-based natural resource planning and decision making are enabled at many landscape levels.

Mission Critical Analyses and Assessments. These mission critical analyses and assessments supported Agency, Departmental, and legislative initiatives in FY 2007. NRCS natural resources data and information, conservation program data, and data from other Federal and non-Federal data sources were essential components of these analyses and assessments including:

- **Priority Watersheds.** NRCS developed national and State-level assessment protocols to identify priority watersheds with a resource-based approach for implementing financial assistance programs.
- **Comprehensive Set of Environmental Indicators.** NRCS is a key contributor to the Council on Environmental Quality's Interagency Working Group on Environment and Natural Resource Indicators. The goal of the Working Group is to develop a comprehensive set of indicators to guide the Federal government in reporting regularly on natural resources and environmental issues.

National Resources Inventory (NRI). The NRI is a scientifically based, longitudinal panel survey of natural resource conditions and trends on non-Federal lands in the United States. Non-Federal lands account for more than 79 percent of the Nation's land area and include privately-owned land, Tribal and trust lands, and lands controlled by State and local governments. The information supplied by NRI data and analysis is used to devise appropriate and effective conservation programs, draft prudent agricultural policy, construct ambitious strategic and performance plans, and inform national farm policy discussion through the Farm Bill process. The NRI is authorized by several pieces of legislation, beginning with the Rural Development Act of 1972, and is performed in cooperation with Iowa State University's Center for Survey Statistics and Methodology. Between 1977 and 1997, the NRI was conducted every five years; NRCS currently collects NRI data annually.

- **Annual NRI.** The Annual NRI delivers timely information to support agricultural and conservation policy development and helps to evaluate the impacts of policy execution and conservation program implementation. The Annual NRI supplies long-term trend analyses, and has the flexibility to gather scientific information on emerging natural resource issues. Every year, data are collected for a scientifically selected subset of the suite of 800,000 NRI sample sites. Each NRI is named for the calendar year growing season for which the data are gathered, e.g., 2005 Annual NRI. Estimates from the NRI undergo rigorous quality assurance procedures; no data are released until these procedures are completed. NRI data must meet statistical standards and adhere to NRCS policy and Office of Management and Budget and USDA Quality of Information Guidelines.
 - 2003 Annual NRI: Additional results were released from the 2003 Annual NRI in Fiscal Year 2007. State-level results posted on the NRCS NRI Web site include: total surface area by land cover/use, cultivated and non-cultivated cropland, grazing land, water and wind erosion on cropland, and highly erodible and non-highly erodible cropland. National and regional-level urban development estimates are planned for release in late calendar year 2007; soil quality results will be released in April 2008.
 - 2005 Annual NRI: Data collection for the 2005 Annual NRI was completed in FY 2007 at the Remote Sensing Labs (RSLs), using new data collection protocols and tools incorporating updated technology. The 2005 NRI comprises data collected for both 2004 and 2005 growing seasons.

- 2006 and 2007 Annual NRIs: NRCS has placed a priority on completing both the 2006 and 2007 Annual NRIs in FY 2008. RSL staff has completed geospatial processing of imagery that captured the 2006 growing season. Training sessions on data collection for the 2006 Annual NRI are being held in the first quarter of FY 2008. Data collection for the 2006 NRI is scheduled for November 2007 through March 2008. Data collection for the 2007 Annual NRI is anticipated to run from April through September 2008.
- NRI Rangeland On-site Survey. Data were collected in 19 States for the 2007 NRI Rangeland On-site Survey. Field staff used hand-held pocket PC-based data collection tools for this survey. Data editing and quality assurance activities are being conducted. This is the fourth year in the study to assess the condition of non-Federal rangelands; data will be used to address rangeland conservation programs and policies.
- Alaska NRI. A new sampling design and a comprehensive work plan have been developed to integrate Alaska into the 2007 Annual NRI. Imagery for 581 sample segments in the corridor and bush has been acquired.
- Conservation Effects Assessment Project (CEAP). CEAP is a multi-agency effort to quantify the environmental benefits associated with conservation practices implemented under the 2002 Farm Bill and other related programs. CEAP has two principal components: 1) National Assessment and 2) Watershed Assessment studies. Where possible, the four sub-components of the National Assessment (cropland, wetlands, wildlife, and grazing lands) provide national summary estimates of conservation practice benefits and assess the potential for USDA conservation programs to meet the Nation's environmental and conservation goals. The Watershed Assessment studies are the research component of CEAP; they provide more detailed, in-depth assessments than are possible with the National Assessment components. In October 2006 a major workshop was co-sponsored by CEAP participating agencies. This Soil and Water Conservation Society special workshop, called "Managing Agricultural Landscapes for Environmental Quality: Strengthening the Science Base," brought together CEAP scientists and leading experts from across the country to exchange ideas and findings. A proceedings volume of the same name was published in July 2007. Current CEAP activities include:
 - Cropland Component: In December 2006, a report summarizing the research findings to date of the effects of cropland conservation practices was published for CEAP by the Soil and Water Conservation Society (SWCS). The NRI-CEAP Cropland Survey was completed in May 2007.
 - Wetlands Component: Preliminary findings have been developed for the Prairie Pothole and Mississippi Alluvial Valley regions. The National Agricultural Library published in fall 2006 a CEAP bibliography on the effects of conservation practices on wetlands. In March 2007, preliminary findings were released from a study investigating the distribution, frequency of occurrence, and habitat quality of amphibians using seasonal prairie pothole wetland catchments.
 - Wildlife Component: In September 2007, the Wildlife Society released a literature synthesis, generated by the wildlife component, on the effects of conservation practices on fish and wildlife.
 - Grazing Lands Component: The grazing lands component is evaluating environmental models to provide estimates of conservation benefits on national and regional scales. The rangeland sub-component will utilize NRI on-site data to supply watershed level inputs to the selected models. The pastureland and grazed forest sub-component is currently testing protocols to collect field data for an analogous effort.
 - Watershed Assessment: The watershed component provides detailed assessments of conservation practices including observed and modeled environmental effects in selected watersheds. Thirty-seven individual watershed case studies, representing a wide array of resource issues and modeling techniques, were active in 2007. These case studies provide in-depth assessments of water quality and other benefits at a finer scale than is possible for the National Assessment. Additionally, the watershed studies are making progress on developing new model components and geospatial analyses at the watershed scale to improve the accuracy of model simulations and enhance predictions of practice impacts, for example, addressing variable source area hydrology. Two projects were jointly funded with CSREES in 2007 to conduct a major synthesis of the findings to date in the CSREES watersheds. This critical effort will work to glean lessons learned from across these 13 watersheds to begin applying knowledge gained from CEAP. Symposia

were held at conferences in October 2006, February 2007, and July 2007, to feature the findings and progress of the watershed studies.

Internal Accountability and Management Improvements. NRCS' Accountability Information Management System (AIMS) answers basic performance and budget accountability questions including: What needs to be done and where? What is being done? How long did it take to accomplish? What is the cost? What environmental benefits were achieved? AIMS enhancements in FY 2007 included:

- A new version of the Performance Results System (PRS) that mines performance data from the National Conservation Planning (NCP) database. This new version minimizes the field's workload to produce accurate site-based reporting of all planned and applied practices. PRS was fully integrated with Toolkit, ProTracts, and the NRCS Reference Table (NRT) database. This integration results in complete reporting when field users complete their field planning and contracting activities.
- Continued use and enhancements to the Conservation Information System (CIS) which provides monthly reports for managing program costs and accomplishments. The CIS allows for improved management of program funds by national and state level managers. Data in the CIS includes financial data such as allocations and obligations, as well as payroll data for time, attendance, salaries, benefits, and performance measurement data.
- Continued development of an Executive Dashboard which is a report generator and visual dashboard for senior managers to monitor program performance and costs.
- Program Operations Information Tracking System (POINTS) is a collection of data entry and reporting tools that provides a "One Stop Shop" for program information and operation data. POINTS' web-based analysis tools and reports were enhanced for the Watersheds and EQIP programs.

Critical IT efforts in FY 2007 by the following core Agency business lines.

Conservation Planning and Technical Consultations result in either the transfer of data, information, or a conservation plan that helps customers protect and conserve natural resources (soil, water, air, plant, and animal) within their social and economic interests.

- Customer Service Toolkit is the primary tool in this business area. Toolkit is a geographic information system (GIS) enabled enterprise application that supports conservation planning and technical assistance to landowners. Using Toolkit, NRCS field office planners "check out" customer specific data from a centralized national database along with customer folders from local file servers. The data and folders contain conservation planning information in Excel spreadsheets, Word documents, image files, and GIS shapefiles. NRCS planners use Toolkit to perform a resource inventory, analyze current land use in relation to geophysical limitations, develop alternative solutions, and prepare a final conservation plan, plan of operations, and high quality client specific maps.
- Toolkit is installed on over 15,000 NRCS and conservation partner computers and has been implemented in every State with 5,000 to 6,000 unique users accessing the site per week.
- The NCP database was integrated with the Toolkit creating efficiencies in planning, contract development, and national progress reporting. Currently, NCP contains nearly 1.5 million plans, 29 million practices, and 325,000 contracts. Conservation plans increased by 25 percent. These are planned on 15 million land units with over 10.6 million of those land units with spatial data. Spatial land units have increased by 75 percent in FY 2007 reflecting streamlining and integration efforts by NRCS business applications.
- Initialed field testing of the Conservation Plug-In. Plug-In will enable technical service providers and other non-NRCS affiliates to directly access the NCP database to record planning and application progress.

Natural Resources Inventory and Assessment includes the acquisition, development, interpretation, and delivery of natural resource data and information for natural resource planning, decision making, and program and policy development at multiple scales. The following improvements occurred in FY 2007:

- National Soil Information System integration with geospatial tools used at the field level.
- Soil Scientist Toolkit for improving soil scientist productivity and data quality.

- Remote Sensing Toolkit including tools for management, decision support, and communication.
- Both the PLANTS website and Soil Data Mart adopted the USDA “look and feel” and were populated with all available soil spatial and tabular data. The Soil Data Mart facilitated downloading over 211,000 soil surveys.
- The Geospatial Data Gateway has been integrated with the National Agriculture Imagery Program (NAIP) and Common Land Units (CLU) datasets in the Geospatial Data Warehouse. These elements are the authoritative datasets; they are “on demand” in the standard format and naming conventions. NAIP includes current natural color orthoimagery at one meter resolution. The CLU dataset includes farm and field boundaries for USDA service center customers. The total amount of data delivered from the Gateway continues to significantly increase annually to over 87 terabytes in FY 2007.
- Deployment of the Web Soil Survey for the public, providing self-service technology for soils information and including an integrated Resource Data Viewer. Currently averaging about 5,000 users per work day, saving staff time at local service center offices.

The Water and Climate Information System (WCIS) supports the collection, storage, quality control, analysis, and dissemination of high elevation snow pack and climate data for the West, generation of water supply forecasts, and the collection and dissemination of soil climate data. In FY 2007, WCIS improvements included:

- Added the AgACIS (Agricultural Applied Climate Information System) module to the electronic Field Office Technical Guide (eFOTG) allowing nationwide access to local climate information for conservation operations.
- Developed and implemented a Daily Water Supply Forecast Tool that provides daily water supply updates for 148 forecast points throughout the West.
- Developed and implemented a Google Earth Water Supply Forecast Layer to allow users to access Snow Survey and Water Supply Forecasting data and information through Google Earth.
- Developed and implemented the VIPER (Visual Interactive Prediction and Estimation Routines) Water Supply Forecasting environment which allows seamless and more efficient model development and forecasting.

Natural Resource Technology Tool Development and E-Government. Engineers, agronomists, biologists, foresters, soil scientists, economists, and other technical specialists assist the local NRCS staff and enhance the expertise that is provided to all NRCS clients. These specialists develop and transfer new technologies -- a wide array of technical standards and specifications, models, and maps pertaining to conservation systems. The topics include ecological site and forage suitability, phosphorus indexes, snow fences, stream restoration, and buffer technology. Information Technology (IT) professionals translate scientific technology and standards into more accessible electronic formats. These scientists and technical specialists ensure the application of sound scientific principles in CTA Program activities.

Natural Resource Technology Transfer includes the process that evaluates, acquires, develops, and transfers conservation tools, techniques, and standards based on research and new technologies. The technology is used primarily in resource assessment, conservation planning, and conservation system installation. New or revised technology tools released in FY 2007 included:

- An Energy Estimator to look at the energy cost variables such as heat, light, and ventilation in poultry swine and dairy housing was released. The tool evaluates alternatives based on producer input, but does not estimate the cost of implementing the recommend practices. The animal housing tool joins three (3) Energy Estimator Tools for Tillage, Nitrogen, and Irrigation that provide a first approximation of direct and indirect energy used on-farm. The Energy Estimators allow customers to compare the relative amount of fossil fuel energy consumed under different crop rotations, estimate savings in nitrogen fertilizer applications and use, and manage their irrigation operations more efficiently. These web-based calculator tools help reduce the impacts of high energy costs.
- WinPond computer program and User’s Guide was released to assist engineers, conservationists, and engineering technicians in the design of ponds and structures.
- Conservation Practice Standard application for maintaining Conservation Practice Standards provides a sole source access for conservation practice information.

- There were 32 Technical Notes released with the latest technical information on Agronomy, Biology, Plant Materials, Range and Pasture, Engineering, and Soil Quality issues. There were 13 User Guides released for technology tools related to Engineering, Soil Survey, and Technology.
- Information Sheets on Composting, Composting Bedded Pack Barns, and Vermiculture were made available for use by conservationists, engineers, and technicians as they work with farmers, ranchers, and others on these practices.
- An interagency, interdisciplinary, five year effort resulted in the Stream Restoration Design Handbook release. The document encourages locally-led, public involvement in restoration planning and implementation and offers 1,700 pages of detailed design guidance.
- Updated about 12 percent of 165 practice standards including creation of two new practice standards for Sinkhole and Sinkhole Area Treatment and Above Ground, Multi-Outlet Pipeline. These new and updated standards reflect evidence-based science and help producers address critical issues.

Financial Assistance includes cost share and monetary incentives through program contracts, easements, or other means to qualified program participants who participate in authorized NRCS conservation programs. ProTracts is a web-based application that helps NRCS efficiently manage applications, contracts, obligations, payments, and performance reporting. This is the primary electronic tool used by NRCS and partners to develop and manage contracts associated with NRCS' financial assistance programs.

- Through ProTracts, NRCS employees obligated over \$1 billion through 79,262 contracts in FY 2007 in four financial assistance programs: EQIP, CSP, WHIP, and AMA. The ProTracts database contains over 530,000 contracts with 4.2 million contract items. The total value of the contracts is \$4.9 billion. Using ProTracts, field users processed over \$3 billion on payments.
- ProTracts ranking tool was nationally deployed to provide a uniform method of evaluating and ranking contract applications. This tool provides uniform business rationale that ensures and documents that the most environmentally deserving lands across the nation receive conservation in a cost-effective manner.
- Continued use and enhancements to Fund Manager which speeds both the obligation and payment process while enforcing internal controls associated with recording obligations and making payments. Fund Manager links ProTracts and the Financial Foundation Information System. With this web application, NRCS has been pioneering new approaches to utilize web applications to interface transactions electronically to NFC.

Compliance Status Reviews for Highly Erodible Land and Wetlands. Compliance status reviews are conducted on farm and ranch tracts designated as having received USDA benefits subject to the highly erodible land (HEL) or wetlands conservation (WC) provisions, or both. A compliance status review is an inspection of a tract to determine the USDA participant's compliance with the Highly Erodible Land and Wetland Conservation (HEL/C/WC) Provisions of the Food Security Act of 1985, as amended, as a condition for receipt of certain USDA benefits. The NRCS compliance status review process requires employees to make an on-site determination when a violation of the HELC/WC provisions is found, and that only qualified NRCS employees report violations. Analysis of FY 2007 compliance reviews will be available after February 2008. In FY 2006, approximately 1.4 percent (319) of the 22,741 tracts reviewed was found to be in non-compliance; of these, 232 tracts had highly erodible land conservation violations and 87 tracts had wetland conservation violations.

Highly Erodible Cropland Conservation Compliance. Participants in USDA programs are required to protect their fields from excessive soil erosion, (sheet and rill, wind, and ephemeral gully), by complying with HEL regulations found in the provisions of 16 U.S.C. §§ 3801; 3811-3814. USDA participants accomplish this by implementing a conservation system that provides for either a substantial reduction in soil erosion, or when sodbusting native vegetation, a system that results in no substantial increase in soil erosion on highly erodible cropland. NRCS classifies about 101.1 million acres of cropland as HEL, 27 percent of the Nation's 370 million acres of cropland.

Reviews were conducted on 22,741 tracts (over 2.8 million acres). Of the total HEL tracts in compliance, 595 (2.6 percent) tracts were issued variances or exemptions as provided by statute. All tracts with a

variance or exemption were re-evaluated during the 2007 crop year to ensure that an appropriate conservation system is being used. Of the total variances, 45 percent of the tracts (270 tracts) were issued for a minimal effect on the total conservation system effectiveness. The Farm Service Agency (FSA) county committees granted good faith exemptions where a violation was reported for 11 percent of the tracts reviewed (37 tracts).

Wetlands Conservation Compliance. Title XII of the Food Security Act of 1985, 16 U.S.C. §§ 3801; 3821-2824 defines NRCS' responsibilities in wetlands conservation which includes determinations, appeals processing and resolution, mitigation and restoration plans, minimal effect exemptions, and scope and effect evaluations for installation of new drainage systems and maintenance of existing systems.

During 2006, wetlands were present on approximately 52 percent (11,746 of 27,487) of the randomly selected tracts on which compliance reviews were conducted. Eighty-seven wetland tracts were not in compliance.

CTA Program Funds Customer Assistance. Through CTA, NRCS provided technical assistance to more than 93,800 customers in FY 2007 helping them to plan and apply conservation measures on the landscape. This is about 62 percent of the Agency's customer contacts for conservation planning or implementation.

NRCS serves, either directly or indirectly, all of the people of the Nation. However, the people who make decisions about natural resource use and management on non-Federal lands are the primary customers. They include individuals, groups, Tribes, and units of government. NRCS provides the technical assistance and science-based information customers need to make good decisions about their natural resources. To achieve its mission, NRCS provides services to four main customer groups:

- Farmers and ranchers, people who own, operate or live on farms and ranches.
- Other members of the private sector who support production agriculture and conservation.
- Government and units of government including Tribes with responsibility for natural resource use and management.
- Non-profit organizations whose mission aligns with aspects of natural resource management.

These major customer types need different products and services, delivered in different ways. Within each major customer category, there are customer segments that have different needs.

CTA Program Leverages Technical Assistance. NRCS field staff work in partnership with about 8,000 State agency and conservation district personnel to assist customers with their conservation planning and implementation needs. Non-Federal partners contributed an estimated \$451 million in funds and services to support these joint conservation efforts in FY 2007. This leveraging is made possible through mutual agreements that establish a conservation partnership with State governments, local soil and water conservation districts, Tribes, and other conservation organizations to formulate and implement an integrated conservation program. By working with partners, NRCS ensures that the conservation goals of the landowner, local government, State agencies, and national interests are achieved.

Technical Service Providers and Agricultural Conservation Enrollees/Seniors. NRCS expanded technical assistance capability with Technical Service Providers (TSP) and Agricultural Conservation Enrollees/Seniors (ACES) in FY 2007. NRCS obligated about \$43.2 million to acquire TSPs and to place ACES experienced workers. The obligation for TSPs exceeded the FY 2007 target by \$3.2 million.

- Technical Service Providers. Assistance through TSPs expands NRCS ability to provide products and services that enable people to be good stewards of the Nation's soil, water and related natural resources on non-Federal land. In FY 2007, NRCS:
 - Signed agreements with about 296 newly certified individual TSPs, and re-certified 119 individual TSPs. This brings the total available to the public to more than 1,301 individual TSPs and 113 businesses. The TSP certification and tri-annual recertification is completed with an online process.

- The most common practices implemented with the technical assistance of TSPs included pest management plans, nutrient management plans, upland wildlife habitat management, conservation crop rotation, CNMPs, and livestock waste storage facilities.
- About 55 percent of the obligations were to private sector TSPs. Programs accounting for most of the FY 2007 obligations included EQIP 50 percent, CRP 15 percent, WRP 9 percent, and EWP 6 percent. Remaining programs each accounted for 4 percent or less of the obligation. Since passage of the 2002 Farm Bill, NRCS has obligated over \$230 million to acquire technical services.
- Agricultural Conservation Enrollees/Seniors. Since initiating the pilot project in FY 2005, NRCS had established 233 ACES positions throughout the states and other locations. Approximately 165 positions were filled at the end of FY 2007 with ACES enrollees. The project is carried out via an agreement with the National Older Workers Career Center to provide meaningful technical and administrative work opportunities for older workers. The total investment in this pilot project since its inception in June 2005 is approximately \$7.5 million.

International Assistance. During FY 2007, NRCS employees participated in 59 assignments with 25 foreign countries that improved the management and conservation of natural resources globally. NRCS is recognized worldwide as the premier enabler of natural resource conservation. International activities involve both short and long-term technical assistance and leadership for the development of natural resource conservation programs and projects. Additionally, NRCS facilitates the exchange of conservation technology with countries that face soil and water conservation issues similar to those in the United States. NRCS participates in international meetings and professional societies to share NRCS conservation technology and to broaden the knowledge and professional capability of NRCS staff.

Reimbursed Technical Assistance: Operation Enduring Freedom. NRCS provides reimbursable short-term technical assistance to foreign countries where the primary benefit is to the receiving country. In FY 2007, the U.S. Agency for International Development reimbursed NRCS over \$405,522 for assistance to Afghanistan. The reimbursement paid for seven NRCS employees who served nine-month details as agricultural advisors on U.S. military/civilian Provincial Reconstruction Teams. Through Operation Enduring Freedom, USDA improves the natural resources in the rural provinces which results in a more secure and stable environment. NRCS provided training in planning, designing, and implementing erosion control, streambank stabilization, forestland, rangeland, and other soil and water conservation measures for the Afghan Conservation Corps, a community-based employment program that puts thousands of Afghans to work restoring and rehabilitating Afghanistan's environment.

Other FY 2007 international assistance was provided to:

- Pacific Basin. Two conservationists in the Pacific Basin provided technical services and leadership in initiating, developing, and coordinating natural resource programs in the Federated States of Micronesia and the Republic of Palau. NRCS spent nearly \$878,120 on these long-term assignments.
- Border Issues. NRCS collaborated on border issues with agricultural producers and resource management agencies in Canada and Mexico. NRCS collaborated on issues including water quality, range management, biological diversity, aquatic resource management, hydraulic modeling, plant materials, snow survey forecasting, stream restoration, and waste and nutrient management.
- Hosted Foreign Visitors. NRCS employees hosted approximately 147 foreign students, technicians, scientists, administrators, and farmers from 23 countries and enabled them to transfer applicable methods to their home countries.

NRCS Scholarship Programs. NRCS participates in the USDA/1890 National Scholars Program (1890), USDA Public Service Scholars (PSS), NRCS Asian Pacific Islander Scholars (API) and the NRCS Tribal Scholars to support the agency's Human Capital Initiative. These scholarship opportunities strengthen the conservation partnership with State colleges and Land Grant Institutions and help attract outstanding students from under-represented groups to pursue careers in agriculture and natural resource sciences. NRCS supported six 1890 scholars, seven PSS scholars, five Asian Pacific Islander scholars, and three

Tribal scholars. In FY 2007, six scholars graduated from various programs and were non-competitively converted into the NRCS workforce.

NRCS Outreach Partnerships. NRCS partners with the 1890 Land Grant community and participates in the USDA/1890 Task Force Initiatives. NRCS collaborates with selected 1890 Land Grant Universities to broaden the transfer of technologies through the 1890 Centers of Excellence to the communities they serve and through the Biological and Agricultural Systems Engineering programs. NRCS continues to achieve results as the projects meet unique conservation needs and challenges while implementing new site-specific technology and developing comprehensive resource plans.

NRCS Outreach has partnered with Minorities in Agriculture, Natural Resources and Related Sciences American Indian Science and Engineering Society, National Hispanic Environmental Council and Thurgood Marshall Scholarship Fund to recruit highly motivated and qualified students for positions throughout the country as well as participate in summer and career internship programs.

Small, Limited Resource, and Beginning Farmers and Ranchers. With technical and financial assistance geared to their unique needs, NRCS helps small, limited resource and beginning farmers and ranchers maintain the economic viability of their farm operations while conserving the natural resources. The Agency works to ensure that there are no barriers and obstacles to prevent small, limited resource, and beginning farmers and ranchers from fully participating in NRCS programs or receiving technical assistance.

Assistance to American Indians and Alaska Natives (AIAN). A Memorandum of Understanding was signed between the National Agricultural Statistics Service (NASS) and Natural Resources Conservation Services (NRCS) establishing a frame work to foster and enhance the interchange of data and information about tribal farms. This exchange of information between USDA agencies will enhance strategies for reaching and servicing underserved agricultural tribal communities. The Food, Agriculture, Conservation, and Trade Act (FACTA) of 1990, Section 2501 (g), directed NRCS and other USDA field agencies to establish sub-offices at Tribal headquarters when requested by Tribes.

- **Offices Serving Tribes.** As of October 2007, NRCS has 45 full-time offices on Tribal lands and approximately 180 Tribal liaisons assisting 561 Federally-recognized Tribes.
- **Technical Assistance to Tribal Conservation Districts.** The Secretary of Agriculture has signed mutual agreements with 29 conservation districts formed under Tribal law. Under these agreements, NRCS provides technical assistance through conservation districts to plan, apply, and maintain conservation treatments; the most recent additions are the Wind River of Minnesota and Kiowa Tribe of Oklahoma. The Central Valley Tribe and the Hoopa Valley Tribe, both of California, are in the process of establishing tribal conservation districts. Under the terms of these agreements, NRCS provides technical assistance through conservation districts to assist American Indian Nations and Alaska Native organizations and citizens to plan, apply, and maintain conservation systems.
- **In fiscal year 2007, NRCS approved 409 AIAN EQIP contracts totaling \$17.3 million.** A total of 41,700 contracts were approved by NRCS.
- **NRCS and Michigan Tribe Agreement protect Native Cultural Artifacts.** On Earth Day, NRCS signed an agreement formalizing the process for protection of native cultural artifacts and remains. This agreement between the USDA, NRCS, and the Michigan Anishinaabec Cultural Protection Alliance (MACPRA) is the first formal federal agreement with the MACPRA, for the protection of ancestral graves of American Indians found in Michigan and repatriation of tribal related cultural resources. The agreement expedites the removal of the resources and returns the resources to their protectors.

Accountability. NRCS has developed a comprehensive system that ensures program accountability and helps the Agency meet the budget and performance integration initiative in the President's Management Agenda. This system measures progress toward the Agency's strategic, performance, and business plans. The data from the NRCS performance management and financial management systems is organized and displayed in the Agency's Conservation Information System and in the Executive Dashboard. Managers at all levels of the organization can monitor program progress, costs, and obligations by program. The

Agency's accountability system received the American Society for Public Administration's Organizational Leadership Award and has been featured at performance management forums.

In Fiscal Year 2007, NRCS continued to reengineer its web-based performance measurement system and transitioned from a system that relies on data entry to one that primarily mines or extracts data from other applications. This approach reduces the time employees spend on reporting and provides more information about the environmental impacts of applied conservation practices or groups of practices. The new system links performance items planned and applied from Conservation Toolkit and ProTracts to the physical effects from the Field Office Technical Guide. All applications in the system are tied to the common customer database in the Service Center Information Management System allowing managers to monitor progress assisting minority, small farmers and other historically underserved groups.

The agency also reengineered its goal setting software to fully integrate it with other systems. The system provides a highly improved user friendly interface that minimizes the workload on the field by providing reference data and management utility within the application. The goal setting software is a key application that allows the agency to measure the current year's progress against the goals necessary to meet the objectives in the strategic plan. The Program Maintenance Tool (PMT) application was completed and accountability information (performance and technical assistance cost) can now be tracked for Congressional Earmarks and programs important at the state and local levels. The agency completed the Cost of Program model that allows the agency to provide accurate cost estimates for practices, programs or conservation initiatives, as well as provide realistic budget estimates.

PART Assessment. During 2006, an assessment was conducted on the Conservation Operations (CO) Account which includes multiple programs (CTA, Soil Survey, Plant Materials, and Snow Survey and Water Forecasting) and the Natural Resources Inventory. CO was determined to be "Moderately Effective." The assessment found that CO operates efficiently and effectively. NRCS has made its State allocation process more transparent, tracking non-field level activities, including those of contractors and partnering organizations, and linking performance to budget allocations.

To improve the performance of CO under PART, NRCS is taking the following action:

- Completing and initiating implementation of a five-year comprehensive budget and performance management strategy aligned with the Strategic Plan.
- Improving CO management by conducting an independent review of the allocation formulas, conducting surveys to identify areas for improvement, and identifying priority natural resource concerns.
- Evaluating efficiency gains and identifying areas where additional attention is needed.

SOIL SURVEY

Current Activities

Purpose. Understanding and managing soil as a strategic natural resource helps sustain the health and economy of the Nation. Soil survey is an essential tool for regional and local conservation planning that allows people to manage natural resources. The NRCS Soil Survey Program is mandated to:

- Inventory and map the soil resource on non-Federal lands of the United States.
- Keep soil surveys relevant to meet emerging and ever-changing needs.
- Interpret the data and make soil survey information available to meet public needs.
- Lead the National Cooperative Soil Survey Program.

Soil surveys provide important data and information for decisions made by planners, environmentalists, engineers, zoning commissions, tax commissioners, homeowners, developers, as well as agricultural producers. Soil surveys provide the basic information needed for conservation planning. Land managers use soil surveys to predict the soil's potential erosion hazard, its potential for groundwater contamination,

and its suitability and productivity for cultivated crops, trees, and grasses. Soil surveys also provide a basis to help predict the effect of global climate change and “greenhouse” gases on worldwide agricultural production and other land-dependent processes.

National Cooperative Soil Survey. NRCS is the lead Federal agency for the National Cooperative Soil Survey (NCSS), a partnership of Federal land management agencies, State agricultural experiment stations, private consultants, and State and local units of government. NCSS promotes the use of soil information and develops policies and procedures for conducting soil surveys and producing soil information. NRCS provides the scientific expertise to enable the NCSS to develop and maintain a uniform system for mapping and assessing soil resources, this allows soil information from different locations to be shared regardless of which agency collects it. NRCS provides most of the training in soil survey to Federal agencies and assistance with their soil inventories on a reimbursable basis.

Standards and Mechanisms for Soil Information. NRCS is responsible for developing the standards and mechanisms for soil information on national tabular and spatial data infrastructure required by Executive Order 12906. In the last few years, NRCS has been perfecting a National Soil Survey Information System (NASIS) and producing publications that are accessible to the public through the internet <http://soils.usda.gov>. In FY 2003, NRCS developed the Soil Data Warehouse to archive soil survey data and the Soil Data Mart to distribute data to the public. In FY 2005, NRCS established the Web Soil Survey internet site. This became the primary way of distributing published soil surveys, making it easier to keep soil information current with continual public access.

Key Elements of the Program. The primary focus of the Soil Survey Program is to provide current and consistent map interpretations and data sets of the soil resources of the United States. NRCS is conducting a multi-year reinvention process to shift the focus of the Soil Survey Program from publishing hard copy reports to an electronic report that provides a current, readily available, and more useful soil resource inventory, while still completing the initial soil survey mapping. This includes providing useful information to the public in a variety of formats (i.e., electronic and web-based). The program will continue its focus of maintaining quality soil information, and helping people to understand and use the soil resource in a sustainable manner. Key program elements include:

- Mapping. Mapping procedures are managed based on physiographic, rather than administrative boundaries. Soil surveys, based on natural landscape boundaries rather than political boundaries, are more efficient to produce, and provide consistent, quality data for assessing and planning the use and protection of landscape units (watersheds or ecosystems). Physiographic surveys provide consistent data that can be used easily by landowners with holdings in multiple jurisdictions, or by community, State, or regional planners. A primary challenge is to complete the initial soil survey for the entire country. This challenge also includes completing surveys on American Indian land holdings as well as public lands controlled by the Forest Service, U.S. Military, U.S. Fish and Wildlife Refuges, Bureau of Land Management and National Park Service. Public lands are important to include with private lands when planning land use and conservation for watersheds, landscapes, or ecological sites. NRCS is working cooperatively within the NCSS to accomplish these goals.
- Information management. NASIS, a part of the NCSS information system, is where soil scientists develop, manage, and deliver soil information to the public. Digital soil surveys enable customers to use electronic soil data in geographic information systems for generating maps tailored to their needs and performing complex resource analyses. NRCS delivers these data via the internet.
- Web Soil Survey. Several features were added in FY 2007 that enhanced the functionality of the Web Soil Survey, and made it more user-friendly. A major enhancement was the addition of a ‘shopping cart’ feature that allows the user to add various maps and reports to the shopping cart, then print or download the accumulated content as a single document. The capacity of the system was increased to improve performance and accommodate more simultaneous users.
- Digital Soil Surveys. The NCSS develops and maintains two scales of soil surveys:
 - Soil Survey Geographic Data Base (SSURGO) is used primarily by landowners, townships, counties or parishes, and watershed hydrologic units for planning and resource management. It is the most detailed level of soil information.

- United States General Soil Map (STATSGO) is used primarily for multi-county, State, river basin planning and resource management and monitoring.
- Technical Soil Services. The soil technical assistance function focuses primarily on providing diversified products and assistance in using soil information through USDA service centers.

Selected Examples of Recent Progress

- Acres Mapped. Soil surveys have been prepared on over 2.1 billion acres. During FY 2007, NRCS soil scientists mapped or updated 34.5 million acres, and another 1.8 million acres were mapped or updated by other Federal, State, and local agencies in cooperation with NRCS. Of these acres, about 2.7 million acres were on American Indian and Alaskan Native lands. State, local, and other Federal agencies involved in the NCSS provided about nine percent of the funds and seven percent of the personnel services used to produce soil maps and interpretative data. Soil mapping priorities are directed toward completion of all previously unmapped private lands and updating mapping and interpretations to meet current user needs and requirements.
- Soil Survey accomplishments on American Indian and Alaska Native lands. NRCS invested \$1.4 million in FY 2007 to accelerate soil survey mapping on American Indian and Alaska Native lands, resulting in 2.7 million acres mapped or updated. In addition, 12 survey areas were published and ten surveys digitized with significant American Indian lands (>500 acres/survey area).
- Digitized Soil Surveys. During FY 2007, NRCS and NCSS partners digitized 238 soil surveys to national digitizing standards. A total of 2,968 digitized surveys are now available. This is part of an initiative to digitize all modern soil surveys. National digitizing standards for soil surveys have been developed that are consistent with Federal Geographic Data Committee standards.
- Soil Surveys Released. Soil surveys for 105 counties or survey areas were released in FY 2007, representing 50 million acres. In addition to hard copy, most of these surveys were published on the Web Soil Survey internet application for public access.
- Soil Surveys Used Interactively Online. In FY 2007, the Web Soil Survey website logged nearly 1.1 million user visits and nearly 366 million hits. In FY 2007, the use per day averaged nearly 3,400.
- Technical Analysis and Tool Development. The Soil Survey Laboratory (SSL) of the National Soil Survey Center provides analytical support which includes research and methods development and testing, as well as analyses to support on-going soil surveys around the Nation. In FY 2007, SSL performed over 200,000 analyses and improved delivery time of the data by 25 percent over FY 2006. The recently revised Soil Survey Laboratory Methods Manual is now used in 58 foreign countries and universities, private offices and State and Federal offices. The NSSC and the National Geospatial Development Center (NGDC) collaborated on protocols used to review and award proposals from NCSS cooperators, and to track progress and results from those research efforts.

National Cooperative Soil Survey Progress

State of Maine Soil Surveys on Tribal Lands. For many years, NRCS has been assisting the Houlton Band of Maliseet Indians with the conservation management of their lands. During FY 2007 NRCS provided a soil survey of higher detail than the standard order of two surveys. This project covered 125 acres of land on Conroy Lake in Monticello, Maine. It was done at a scale of one inch equals 400 feet and was completed shortly after the land was purchased.

NCSS Inter-Agency Cooperation and Coordination. September 2007 was a landmark month for the NRCS and the U.S. Forest Service (USFS). The initial soil survey on the 1.7 million acre Ouachita National Forest (ONF) located in western Arkansas and southeast Oklahoma was completed. This project began with the forging of a cooperative agreement between NRCS and the USFS in 1979. Development of the ONF mapping legend was initiated in 1991 thus paving the way for a seamless, stand-alone soil survey. This interagency agreement culminated in 2007 with a complete digitizing of the soil survey and the incorporation of the data into the National Soil Inventory System. This cooperative agreement is an excellent representation of the progress which can be accomplished when Federal agencies combine resources and expertise to reach a common goal. Also in 2007, NRCS in Arkansas entered into an agreement with the Arkansas Natural Resources Commission, to update the soil survey for newly acquired Army National Guard land at Camp Joseph T. Robinson in central Arkansas. Through this agreement the

NRCS converted the entire soils layer onto the most current imagery and updated the manuscript to reflect new areas. In addition, NRCS Arkansas was also able to test new technologies by training soil scientist to use tablet computers for field applications.

Soil Survey Data Follow-up on Hurricane Recovery in Louisiana. Louisiana soil scientists were part of a diverse group of presenters at the 2007 Louisiana Hurricane Season Geospatial/Imagery Data Availability: Data Mining Workshop held last July at the NASA Regional Applications Center in Lafayette, LA. Soil scientists stressed the importance of having valid soils information during the recovery phases of large or catastrophic storm events. The availability of data from the Web Soil Survey and the Soil Data Mart was demonstrated, stressing development of maps and interpretations for identifying flood prone areas and suitable locations for animal burial, landfills, home sites, and roads and streets.

Team Building and Performance Management improve efficiency at NSSC Soil Survey Laboratory.

The Soil Survey Laboratory (SSL) of the National Soil Survey Center, Lincoln, Nebraska, has made excellent strides in returning laboratory data to clients in a timely fashion. This was accomplished through focusing the Laboratory staff (as part of the Agency Human Capital Plan) on team building and performance management. A Laboratory Management Team, comprising SSL managers, staff representatives, and supervisors, was formed to discuss and agree upon goals for the SSL and the ways in which to achieve them. By uniting the laboratory leadership and staff, the SSL fostered a new culture of accountability and raised expectation levels.

Soil Map Analysis assists in Identifying Wildlife Habitat. Preserving and enhancing critical habitat for the endangered Illinois mud turtle and Illinois chorus frog was the focus of studies to find the specific habitat in order to quantify remaining species. Investigations were made and species were sited in known wet areas closer to roads, but there was a need to find out how extensive the habitat was over a four county area, consisting of Cass, Mason, Menard, and Tazewell counties. After reviewing the needed habitat conditions with a Springfield, Illinois MLRA Soil Scientist it was determined that the likely areas to find the endangered species consisted of poorly drained loamy soils adjacent to sand dune features. Four soil types were identified, and a query was done on the digital USDA soil maps to compare these soil types and actual occurrences made by sightings. There was significant correlation with the soil types and the visual sightings. Because many other areas were identified as likely places to find the turtle and frog, based on the soil maps, the size of likely habitat was greatly enlarged in the four-county area. This process is currently being used to identify the location of target habitats within Conservation Priority Areas in the Illinois Landowner Incentive Program (LIP) and the Illinois Conservation Reserve Enhancement Program (CREP).

Web-based Soil Extent Mapping (SEM) Tool Increases Efficiency of Analysis of Soil Survey Data. The ability to map soil extent has been restored through a Cooperative Ecological Studies Unit (CESU) partnership making this information readily accessible using the Web-based Soil Extent Mapping (SEM) Tool (See <http://soils.usda.gov/>). The partnership includes Pennsylvania State University – Center for Environmental Informatics, West Virginia University, and NRCS (National Geospatial Development Center and National Soil Survey Center). The SEM Tool is a new Web application that provides the user with interactive national maps of soil series extents based on the land area of mapped soils. This tool helps scientists, educators, and the public gain a better geographic understanding of soil series concepts and Soil Taxonomy in relation to the natural divisions of the nation's physical land resources. The more than 20,000 interactive maps are based on the land area of soil series mapped in detailed soil surveys (Soil Data Mart and Soil Classification File) for the entire United States. It provides tabular acreage summaries for individual soil series by soil survey area and access to the Official Series Description narrative.

PART Assessment. During 2006, an assessment was conducted on the Conservation Operations (CO) Account which includes multiple programs (Conservation Technical Assistance, Soil Survey, Plant Materials, and Snow Survey and Water Forecasting) and the Natural Resources Inventory. CO was determined to be "Moderately Effective." The assessment found that CO operates efficiently and effectively. NRCS has made the State allocation process more transparent, tracking non-field level

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To improve the performance of CO under PART, NRCS is taking the following action:

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SNOW SURVEY AND WATER SUPPLY FORECASTING

Current Activities

Purpose: The purpose of the Snow Survey and Water Supply Forecasting (SS/WSF) Program and the National Water and Climate Center (NWCC) is to lead the development and transfer of water and climate information and technology which support natural resources conservation. The SS/WSF Program is carried out by NRCS staff in the 12 western states (Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico, Nevada, Oregon, Washington, Utah, and Wyoming) and Washington, D.C.

Water and Climate Monitoring. Snowmelt provides approximately 80 percent of the streamflow in the West. The NRCS conducts snow surveys in a partnership that includes other Federal, State, and local agencies, power companies, irrigation districts, and the Provincial Governments of British Columbia, Alberta and the Yukon Territory. Water supply forecasts for 748 water supply forecast points are developed using an automated database and forecasting system. Natural resource data from 935 manual snow courses, 747 automated SNOwpack TELEmetry (SNOTEL) sites, 756 stream gauges, 328 reservoirs, and 1,532 climatological observing stations are integrated to create basin and watershed analysis used to develop the forecasts. Over 22.2 million accesses to snow survey, water supply forecasts, soil moisture data, and other products by water users were tallied during FY 2007; an increase of 38 percent from FY 2006.

SNOTEL. The SNOTEL network increased by 15 sites in FY 2007 to 747. SNOTEL collects the vast majority of the critical, high elevation snowpack and climate data used to monitor water yields in the mountainous West. SNOTEL plays a key role during flooding and other life threatening snow related events by providing hourly precipitation, temperature, and snowpack depletion information that improves flood forecasts. Snowpack information enables emergency management agencies to effectively prepare for and mitigate flood damage months in advance of the spring snowmelt, and to prepare and mitigate the effects of drought. To improve data quality and reliability, the program focused on a systematic review of the SNOTEL temperature record in order to provide high quality data records for climate change research.

The NWCC supports a Google Earth interface to interactively navigate and view SNOTEL station data and high quality maps of daily, monthly, and seasonal SNOTEL snowpack, precipitation, temperature, and snow depth. These products are available at: <http://www.wcc.nrcs.usda.gov/snow>.

SNOTEL Data Quality. The NWCC, in partnership with Oregon State University, has completed a program-wide review of SNOTEL temperature data collected by the network since 1982. Temperature information from this unique high elevation network is critical for monitoring climate variability and snowpacks in the mountainous West. A certified dataset will be available to the public and research community by the end of 2007.

Soil Climate Analysis Network (SCAN). SCAN provides users with near real-time climate and soil moisture and soil temperature information via the Internet. During the past 12 months, 476,975 datasets were downloaded from the NWCC homepage. During FY 2007, the 39-state network was expanded to 144 sites with new SCAN sites installed in Montana (7) and Utah (16). This cooperative program is funded

through Federal and non-Federal partnerships to support conservation operations and soil survey work. SCAN information also supports drought monitoring and mitigation as part of the Western Governors' National Integrated Drought Information System (NIDIS), flood risk assessments, crop productivity, disease and insect infestation modeling and a wide variety of NRCS Global Change research activities. SCAN also provides data required for soils research, water balance models, watershed planning and weather forecast models. The data from these sites provides real-time information to support soil-climate monitoring and provide information for better land and water resource management. SCAN data are available at <http://www.wcc.nrcs.usda.gov/scan>.

Water and Climate Services. The Water and Climate Services Branch provides water supply forecasts for the western United States and climate services for the entire Nation.

Water Supply Forecasts. Water supply forecasts are produced from January through June in partnership with the National Weather Service. During the 2007 forecast season, the SS/WSF Program issued 12,141 seasonal water supply forecast information products. Major cooperators include the Bureau of Reclamation, Corps of Engineers, Bonneville Power Administration, State and local agencies, power utilities, irrigation districts, Tribal Nations, Canada, and Mexico.

Agricultural, municipal, industrial, hydropower, and recreational water users are the primary recipients of these forecasts. Recent Federal legislation related to endangered species protection has increased the number of fish and wildlife management activities. Water supply forecasts: (1) help irrigators make effective use of limited water supplies for agricultural production needs, (2) assist the Federal government in administering international water treaties with Canada and Mexico, (3) assist State governments in managing intrastate streams and interstate water compacts, (4) assist municipalities in managing anticipated water supplies and drought mitigation, (5) are used in the operation of reservoirs to satisfy multiple use demands, (6) are used to mitigate flood damages in levied areas and downstream from reservoirs, and (7) support fish and wildlife management activities associated with species protection legislation.

Western Water Supply - Water Year 2007 in Review.

- Precipitation: Persistent dryness in the Southwest and southern California, a generally dry spring in the Intermountain states, and a wet spring east of the Rockies summarized precipitation during water year 2007. The year began with heavy precipitation in the Pacific Northwest and southern Rockies of Colorado and New Mexico. January was a very dry month; with most western basins receiving less than 50 percent of average precipitation. The exception was in the southern Rockies; where above average precipitation was recorded. February and March precipitation was much above normal, greater than 150 percent of average, in Montana and eastern New Mexico, while California and Oregon received less than 50 percent of average precipitation. By April 1, 2007, the Southwest, principally southern California and western Arizona, had received less than 50 percent of average precipitation, while the Pacific Northwest, most of Montana, eastern Colorado and most of New Mexico were reporting above normal precipitation, greater than 110 percent of average. Continuing the pattern is climate variability experienced in Water Year 2006, the West once again experienced a significant geographic contrast in seasonal precipitation amounts, ranging from less than 50 percent of average to over 150 percent of average.
- Snowpack: Fall and early winter snowpacks were slightly below average on January 1, 2007. However, eastern Colorado, northern New Mexico and the Cascades of Washington and most of British Columbia, reported above average conditions. Snowpacks remained below average throughout many Intermountain basins east of the Rockies through March 1, 2007. Western snowpacks experienced a significant meltout during March 2007 due to much above normal temperatures and lack of precipitation. Instead of a historical gain for most basins during March, nearly every western basin registered a decline. The losses were greatest in the Southwest and central Oregon, where snowpacks declined more than 30 percent. Most snowpacks in the Intermountain states reported decreases ranging from 6 to 30 percent. The only areas showing increases were central Wyoming, with increases ranging from 6 to 30 percent, in response to spring snowstorms. Snowpack declines of this magnitude

and spatial extent were also observed in March 2004. The resulting April 1 snowpacks are extremely low in Arizona, Utah, Nevada California and eastern Oregon.

- **Streamflow:** Because of the warm and dry conditions during March, spring and summer streamflow forecasts reported declines ranging from 16 to 30 percent in Utah, western Colorado, Arizona, parts of New Mexico, southern Idaho, and eastern Oregon in response to the steep snowpack declines. Forecasted spring and summer streamflows for most of the West were expected to be below average. Several basins in the Central Sierras of California, Nevada, southwestern Utah and central Arizona were expected to receive less than 50 percent of average runoff. Streamflows in British Columbia were forecast to be above average. Alaska streamflows are forecast to be near normal in most basins with the exception of southeast Alaska, which are forecast to be much above normal. Additional water supply forecast information can be found at <http://www.wcc.nrcs.usda.gov>.

Water Supply Forecasting Technology Development. Technology development was focused in three areas during the past year. (1) During water year 2007 SS/WSF released a new forecast product that uses data from the SNOTEL network to calibrate and produce daily water supply volume guidance forecasts. The new product allows water managers to take appropriate actions to adapt to rapid or extended periods of climate variability between the monthly official water supply forecasts. As of September 30, 2007, one hundred and forty-eight water supply forecasts are generated and placed on the NWCC homepage every day. (2) In support of an improved environment to create water supply products, the VIPER (Visual Interactive Prediction and Estimation Routines) program has been reviewed and certified for use by the SS/WSF Program. VIPER increases the understanding of the water supply forecasts process through improved data visualization and provides the flexibility to use different station combinations and data records. This new software runs on a laptop, meets Continuity of Operations criteria, and uses MS Office tools to efficiently process and display critical information needed to produce water supply forecasts. (3) A collaborative effort with the U.S. Geological Survey has resulted in the initial calibration of a hydrologic simulation model for 16 basins in the West. The simulation model provides water managers with information describing the time and magnitude of peak flows during the snowmelt season and low flow information during the end of the growing season to determine water rights. For more information, please visit the following website - <http://www.wcc.nrcs.usd50a.gov/wsf/>.

Climate Services Technology Development. The Agricultural Applied Climate Information System (AgACIS) has been integrated with the NRCS electronic Field Office Technical Guide to provide access to historical and real-time climate information for over 8,000 climate stations. The NWCC is producing a weekly Drought and Snowpack update for water and natural resource managers. The report provides a “grab and go” summary that can be easily used for drought and water resource briefings. For more information, please visit the following website - <http://www.wcc.nrcs.usda.gov/climate/>.

Information Systems. The database and forecast system maintained by the NWCC Information Systems supports a wide variety of software for water supply forecasting, water and climate data analyses, and other products used by a wide variety of NRCS disciplines. These products support water resource management and related natural resource conservation activities at NRCS national, State, and field offices. During FY 2007, more than 22.2 million information accesses and downloads of data were made from the NWCC website. Fifty-two percent of the accesses were by commercial users, 19 percent by Federal government, five percent by educational users, and 21 percent were uncategorized users. NRCS continued to support delivery of hourly SNOTEL and SCAN data from 891 remote sites. The NWCC has developed and is implementing a Failover plan for all data collection and product production activities. NWCC Information Systems has moved aggressively to meet USDA Office of Chief Information Officer guidelines for e-authentication of all users and has obtained security clearances for all employees and contractors.

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automate snow-water data collection to make the program more efficient; track non-field level activities, including those of contractors and partnering organizations; and link performance to budget allocations.

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PLANT MATERIALS CENTERS

Current Activities

NRCS operates and provides technical assistance to Plant Materials Centers (PMCs) for developing conservation systems using plant materials. PMC service areas cover all 50 States and territories. NRCS established the Agency's 27th PMC in Fallon, Nevada, on land leased from the University of Nevada. This PMC serves the Great Basin with the evaluation and selection of plants and technology for this extremely arid region. Each PMC has a service area defined by ecological boundaries and addresses high-priority conservation problems within each of their service areas.

NRCS operates 25 of the PMCs; State or local governments operate the PMCs at Meeker, Colorado, and Palmer, Alaska, with NRCS funding or technical assistance. NRCS owns the land where 12 PMCs operate. Conservation districts, State agencies, nonprofit institutes, or other entities own the land where the other 15 PMCs operate.

PMCs a) develop technology for the effective installation, use, and maintenance of plants, b) assemble, test, select, release, and provide for the commercial production of plants to protect and conserve our natural resources, and c) provide appropriate training and education to NRCS staff, partners, and the public. The Plant Materials Program provides effective vegetative solutions to conservation problems.

PMC plant materials, plant technology, and management practices are key products and services used by customers in the successful implementation of other USDA conservation programs such as CRP, EQIP, GLCI, and WHIP. With plants and plant technology, PMCs improve grazing lands, wetland and wildlife conservation habitat, buffers and riparian areas, and areas susceptible to soil erosion. PMC plants and technology slow the spread of invasive species and improve critical habitats for threatened and endangered species.

Development and use of plant technology is one of NRCS' foundation products and services. PMCs are placing special emphasis on the following activities that are aligned with the USDA and NRCS Strategic Plans, and specific conservation problems within each PMC service area:

1. Protection and revegetation of land greatly affected or completely devastated by hurricanes, floods, wildfires, and other natural disasters;
2. Plant materials technology support for wildlife species of concern, such as sage grouse and quail;
3. Continued development of plants useful for biofuels, such as switchgrass;
4. Protection of grazing and other natural resources (range, pasture, and forestland) by developing productive, longer-lived drought tolerant native varieties, and managing desirable native plants to control the spread of noxious weeds;
5. Control of introduced weeds and restoration of areas where weeds have invaded;
6. Reduction of erosion from cropland by selection of cover crops and development of systems for their use to provide winter cover on low residue crops;
7. Improvement and protection of the quality of surface and groundwater by development of filter strips between cropland and streams, plants and technology for bio-terraces, and artificial wetlands for removing pollutants from waste water;

8. Creation, restoration, or management of wetlands;
9. Development of plants and plant technology for mitigation of air quality concerns in the vicinity of poultry, swine, and beef operations; and
10. Acceleration of commercial production of previously released conservation plants in high demand for use in conservation programs.

The Program provides customers with essential plant science products for better land management and is recognized by many farmers, ranchers and landowners as an indispensable aspect of public/private conservation initiatives. For example, PMCs cooperate with other Federal and State agencies, agriculture experiment stations, State departments of natural resources, conservation, wildlife, and seed and nursery associations to encourage production and promotion of improved plants and the technology needed to maintain them. Additionally, PMCs and the National Park Service continue an excellent cooperative effort to revegetate sites disturbed in parks with local native plant materials. This effort has been used as a prototype for developing comparable projects with other cooperators.

Selected Examples of Recent Progress

Comparative Plant Testing. During FY 2007, over 11,600 plant collections were comparatively evaluated in more than 65,000 plots by the PMCs. The final evaluation of new plants and cultural methods is made on farms and ranches under actual use conditions; these field tests are now underway at over 2,000 sites. Plants were evaluated for protecting range, pasture and forest resources; cropland cover crops; wetlands; plants useful for biofuels; stabilizing critical areas such as sand dunes, streambanks, and shorelines, road cuts and fills, utility corridors and surface mined lands; introducing grass hedges, buffer strips, replacement of annual forage plants with perennials, wind breaks to protect cropland; and mitigation of air quality concerns. Current emphasis is placed on the collection and evaluation of native plant materials for these uses.

Plant Releases for Commercial Production. NRCS released 21 new plants to commercial growers during FY 2007. These 21 join approximately 560 other PMC conservation plant releases used in conservation programs. PMCs select and then distribute plants for conservation uses to the commercial sector for sale to the public. PMCs do not sell or give plants directly to the public. Production by commercial seed growers and nurseries of about 400 of these plant releases has a market value of more than \$100 million per year.

Technology Products. Written technical notes, Field Office Technical Guide and web-postings, and oral presentations transfer new information to end-users. Fiscal Year 2007 accomplishments include:

Major Item Measured	Sub-item Measured	# Units
Plant Releases	Cultivar releases	3
	Tested releases	2
	Selected releases	10
	Source Identified releases	6
	Total Releases	21
Written Technology Transfer	Technical Notes & Articles	107
	Brochures & Flyers	54
	Plant guides & fact sheets	51
	Popular articles & Progress Reports	175
	Refereed publications	5
	Published symposia & posters	19
	Other types of documents	58
Total Written Technology Transfer	469	

Major Item Measured	Sub-item Measured	# Units
Oral Technology Transfer	Training Sessions	191
	Tours presented	112
	Local/State presentations	194
	Regional presentations	27
	National/International presentations	26
	Total Oral Technology Transfer	550

Plants for Solving Conservation Problems. The Plant Materials Program places emphasis on using plants to solve conservation problems. A few representative examples will illustrate this effort.

- **Protection and Rehabilitation after Hurricanes.** Protection and rehabilitation from damage caused by hurricanes has presented a major challenge to land managers. The Plant Materials Program provides materials and technology to help protect and rehabilitate both private and public lands. Centers along the Atlantic and Gulf Coasts have updated their dune stabilization technology to provide the best information to coastal communities. These have been placed on the Plant Materials Website. Assistance is actively provided by plant materials centers or specialists in Louisiana, Texas, Florida, Georgia, Mississippi, and New Jersey.
- **Plants for carbon sequestration and biofuels.** To meet energy and global climatic concerns, PMCs are investigating native plants with a greater above- and below-ground biomass with potential for sequestering more carbon and reducing the amount of atmospheric carbon dioxide. At the same time, plants with more biomass show promise for use as an alternative fuel. PMCs in Michigan, New York, Kansas, Texas, and Mississippi lead in this work.
- **Wildlife.** Resource conservation and land management practices place emphasis on creating favorable habitat for wildlife species along with providing suitable forage for their use. The Plant Materials Program released 16 plants that benefit wildlife. During the past year, centers in Colorado, Georgia, Michigan, Missouri, New York, and Hawaii have been active in this area.
- **Weeds.** Exotic, noxious weeds pose a serious threat to the integrity and health of natural ecosystems throughout the country. PMCs conducted a series of nationwide studies that strive to either control or suppress weeds, or to find suitable replacements for invasive species once control is achieved. Centers in Washington, Montana, Florida, and New Mexico have worked with problem species such as yellow starthistle, cheatgrass, knapweed, Canada thistle, and cogon grass.
- **Wetland Restoration.** Wetlands continue to be an important environmental concern, with a critical need for plant materials suited to their restoration and maintenance. PMCs in Louisiana, Michigan, New Jersey, and Idaho have worked on this problem.
- **Rehabilitation after Wildfires.** The Plant Materials Program provides materials and technology to help protect property from the risks of wildfires, as well as methods and materials to enable improved rehabilitation for both private and public lands after fires occur. Assistance is actively provided by PMCs or specialists in Idaho, Washington, Arizona, New Mexico, Colorado, California, Nevada, and Montana.

Cooperation with Other Agencies and Partners. PMCs cooperation with other agencies and partners improves the quality and efficiency of plant identification, testing and evaluation. Employees of other government agencies and conservation districts collect thousands of plants annually to find valuable species for solving conservation problems. The cooperation also extends to the testing of new materials and technology. PMCs are working extensively with the Agricultural Research Service (ARS), Forest Service, and Bureau of Land Management on the restoration of degraded rangeland and the revegetation of lands scarred by wildfires. PMCs in the northeast United States are working with the ARS to test the nutrition and regrowth of native grasses for use as forage in pastures. These partnerships and other similar ones expand the efforts by PMCs to accomplish work which would not be possible by PMCs acting alone.

PART Assessment. During 2006, an assessment was conducted on the Conservation Operations (CO) Account which includes multiple programs (Conservation Technical Assistance, Soil Survey, Plant Materials, and Snow Survey and Water Forecasting) and the Natural Resources Inventory. CO was determined to be "Moderately Effective." The assessment found that CO operates efficiently and

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NATURAL RESOURCES CONSERVATION SERVICE
Watershed Surveys and Planning

Appropriations Act, 2008	--
Budget Estimate, 2009	--
Decrease in Appropriations	--

**Summary Of Increases And Decreases
(On basis of appropriation)**

<u>Item of Change</u>	2008 <u>Estimated</u>	<u>Pay Costs</u>	Program <u>Changes</u>	2009 <u>Estimated</u>
Watershed Surveys and Planning	--	--	--	--

**Project Statement
(On basis of appropriation)**

<u>Program</u>	<u>2007 Actual</u> : Staff:	<u>2008 Estimated</u> : Staff:	Increase or Decrease	<u>2009 Estimated</u> : Staff:
	Amount :Years:	Amount :Years:		Amount :Years:
Watershed Surveys	:	:	:	:
And Planning	\$6,056,170: 41:	--: --:	--:	--: --
Total, Appropriation	<u>6,056,170: 41:</u>	<u>--: --:</u>	<u>--:</u>	<u>--: --</u>

**Project Statement
(On basis of available funds)**

<u>Program</u>	<u>2007 Actual</u> : Staff:	<u>2008 Estimated</u> : Staff:	Increase or Decrease	<u>2009 Estimated</u> : Staff:
	Amount :Years:	Amount :Years:		Amount :Years:
Direct Obligations	:	:	:	:
Watershed Surveys	:	:	:	:
And Planning	\$5,968,332: 41:	--: --:	--:	--: --
Unobligated balance	:	:	:	:
Lapsing	(+87,838) --:	--: --:	--:	--: --
Adjusted Appropriation....	(6,056,170) --:	--: --:	--:	--: --
Reimbursable Oblig	138,735: 3:	--: --:	--:	--: --
Total, Obligational	:	:	:	:
Authority	<u>6,107,067: 44:</u>	<u>--: --:</u>	<u>--:</u>	<u>--: --</u>

NATURAL RESOURCES CONSERVATION SERVICE
Watershed Surveys and Planning

Geographic Breakdown of Obligations and Staff Years
2007 Actual and Estimated 2008 and 2009

	2007		2008		2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama	\$9,834	--	--	--	--	--
Alaska.....	226,521	2	--	--	--	--
Arizona.....	129,118	1	--	--	--	--
Arkansas.....	209,782	2	--	--	--	--
California	529,290	4	--	--	--	--
Colorado.....	83,294	1	--	--	--	--
Connecticut	16,275	--	--	--	--	--
Delaware	49,172	--	--	--	--	--
Florida	--	--	--	--	--	--
Georgia.....	56,315	--	--	--	--	--
Hawaii	195,130	1	--	--	--	--
Idaho.....	34,416	--	--	--	--	--
Illinois	--	--	--	--	--	--
Indiana.....	--	--	--	--	--	--
Iowa.....	229,337	2	--	--	--	--
Kansas	217,642	2	--	--	--	--
Kentucky	22,945	--	--	--	--	--
Louisiana.....	91,788	1	--	--	--	--
Maine	--	--	--	--	--	--
Maryland	16,189	--	--	--	--	--
Massachusetts.....	284,471	1	--	--	--	--
Michigan	--	--	--	--	--	--
Minnesota.....	294,855	3	--	--	--	--
Mississippi	--	--	--	--	--	--
Missouri	327,815	3	--	--	--	--
Montana	78,624	1	--	--	--	--
Nebraska.....	138,657	1	--	--	--	--
Nevada	--	--	--	--	--	--
New Hampshire.....	35,251	--	--	--	--	--
New Jersey	24,258	--	--	--	--	--
New Mexico.....	96,596	1	--	--	--	--
New York	162,654	1	--	--	--	--
North Carolina.....	--	--	--	--	--	--
North Dakota	--	--	--	--	--	--
Ohio.....	--	--	--	--	--	--
Oklahoma	40,000	--	--	--	--	--
Oregon.....	146,912	1	--	--	--	--
Pacific Basin.....	60,918	--	--	--	--	--
Pennsylvania	112,338	1	--	--	--	--
Puerto Rico.....	--	--	--	--	--	--
Rhode Island.....	187,390	1	--	--	--	--
South Carolina.....	142,698	1	--	--	--	--
South Dakota.....	19,019	--	--	--	--	--

	2007		2008		2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Tennessee	59,781	1	--	--	--	--
Texas	--	--	--	--	--	--
Utah	--	--	--	--	--	--
Vermont	6,518	--	--	--	--	--
Virginia	85,103	1	--	--	--	--
Washington	--	--	--	--	--	--
West Virginia	--	--	--	--	--	--
Wisconsin.....	-1	--	--	--	--	--
Wyoming.....	461,637	4	--	--	--	--
National Hdqtr.....	991,342	3	--	--	--	--
National Centers.....	73,157	1	--	--	--	--
Nat. Tech. Sup. Cent.	21,291	--	--	--	--	--
Subtotal, Available/Est....	5,968,332	41	--	--	--	--
Unobligated Balance	87,838	--	--	--	--	--
Total Available/Est.....	6,056,170	41	--	--	--	--

NATURAL RESOURCES CONSERVATION SERVICE
Watershed Surveys and Planning

Classification By Objects
2007 Actual and Estimated 2008 and 2009

Personnel Compensation:	<u>2007</u>	<u>2008</u>	<u>2009</u>
Washington, D.C.	\$299,596	--	--
Field.....	<u>2,859,020</u>	<u>--</u>	<u>--</u>
11 Total personnel compensation	3,158,616	--	--
12 Personnel benefits	882,642	--	--
13 Benefits for former personnel	<u>--</u>	<u>--</u>	<u>--</u>
Total pers. comp. & benefits.....	<u>4,041,258</u>	<u>--</u>	<u>--</u>
Other Objects:			
21 Travel.....	138,724	--	--
22 Transportation of things	15,280	--	--
23.1 Rent payments to GSA.....	--	--	--
23.2 Rental payments to others.....	199,797	--	--
23.3 Communications, utilities, and misc. charges.....	120,952	--	--
24 Printing and reproduction.....	16,366	--	--
25.1 Advisory and assistance services	--	--	--
25.2 Other services	1,008,353	--	--
25.2 Construction contracts	--	--	--
26 Supplies and materials	136,431	--	--
31 Equipment.....	290,130	--	--
32 Land and structures	--	--	--
41 Grants.....	--	--	--
42 Insurance and loans.....	1,024	--	--
43 Interest and dividends	17	--	--
44 Refunds	<u>--</u>	<u>--</u>	<u>--</u>
Total other objects.....	<u>1,927,074</u>	<u>--</u>	<u>--</u>
Total, direct obligations.....	<u><u>5,968,332</u></u>	<u><u>--</u></u>	<u><u>--</u></u>

**NATURAL RESOURCES CONSERVATION SERVICE
WATERSHED SURVEYS AND PLANNING**

STATUS OF PROGRAM

Current Activities

Background: The Watershed Protection and Flood Prevention Act, Public Law 83-566 (P.L. 83-566), established the Watershed Program (16 U.S.C. 1001-1011). Section 6 of the Act provided for the establishment of the River Basin Surveys and Investigation Program (16 U.S.C. 1006-1009). A separate appropriation funded these two programs until fiscal year 1996 when they were combined into a single program and appropriation, Watershed Surveys and Planning.

P.L. 83-566 provides the authority for NRCS to cooperate with other Federal, State, and local agencies in making investigations and surveys of river basins as a basis for the development of coordinated water resource programs. River basin surveys and floodplain management studies provide local decision-makers with an inventory and analysis of the resource status and trends in their watershed, and the impact this has on the community. It provides them with valuable information allowing them to better understand the cause and effect relationships of changes taking place in their watersheds and communities. Authorities include cooperative river basin studies, floodplain management studies, flood insurance studies, and interagency coordination and program formulation. Investigation and survey reports serve as guides for the development of water, land, and related resources in agricultural, rural, and urban areas within upstream watershed settings. They also serve as a basis for coordination with major river systems and other phases of water resource management and development.

P.L. 83-566 also provides for watershed planning activities that are needed to conserve, distribute, develop, protect, restore, and use water. In watershed planning work, NRCS assists sponsoring local organizations develop plans on watersheds. The plans describe water quality, flooding, water and land management, and sedimentation problems and propose alternative conservation land treatments to conserve and protect land and related resources. These watershed plans form the basis for installing needed works of improvement and include estimated benefits and costs, cost-sharing, operation and maintenance arrangements, and other information necessary to justify the need for Federal assistance in carrying out the plan.

During FY 2007, NRCS obligated the \$6 million appropriated for Watershed Surveys and Planning. This appropriation supports and benefits the NRCS Mission Goal of Clean and Abundant Water in two ways. First, the funds help improve and maintain surface waters and ground water to protect human health, support a healthy environment, and encourage a productive landscape. Second, the program funds help conserve and protect water to ensure a reliable water supply for the Nation. The NRCS homepage contains current information on the Watershed Surveys and Planning program. The website is found at <http://www.nrcs.usda.gov/programs>.

While financial assistance through P.L. 83-566 is an important tool to implement the planned actions, sponsoring local organizations are encouraged to look to all sources of funding for implementation costs. Watershed plans and alternative conservation solutions are developed with the local stakeholders, without regard to potential funding sources from local, State and Federal sources. Alternative funding sources range from local bond issuance to State sponsored cost-shared programs.

Selected Examples of Recent Progress

City of Wilber Flood Control Watershed Plan and Environmental Assessment, Saline County, Nebraska. The City of Wilber Flood Control plan was developed in response to the varied concerns of the Lower Big Blue Natural Resources District. The project will reduce urban and rural flooding, reduce sedimentation, enhance fish and wildlife habitat, enhance water quality, improve economic conditions, and provide incidental recreation opportunities. The recommended alternative consists of a floodwater retarding dam on an unnamed tributary, which starts about one mile northwest of town and flows through

the main part of town and ends approximately one mile southwest of town at the channel confluence with Big Blue River. Economic benefits exceed the cost of the proposed plan.

East Locust Creek Watershed Revised Plan, Sullivan and Putnam Counties, Missouri. Sullivan County and portions of Putnam County have been experiencing recurring droughts in recent years. Many of the current water suppliers have a need for additional or supplemental water sources to reliably serve their customers. Lack of adequate supplies is also hindering commercial/industrial growth in the counties. The recommended plan consists of the installation of one multiple-purpose reservoir on the mainstem of East Locust Creek.

The purpose of the East Locust Creek Watershed Plan is to address problems of: inadequate rural water supply; flooding along East Locust Creek and its tributaries; decreased farm income and increased maintenance to flooding; unmet demand for water-based recreational facilities within 25 miles of the proposed multiple-purpose reservoir site; and erosion and sedimentation. The multiple-purpose reservoir will provide 7.0 million gallons of locally-controlled, agricultural water management (rural water supply); water-based recreational facilities; and flood prevention. The plan also includes installation of 22 small flood water retention structures on Little East Locust Creek. These small structures will include livestock watering pipes. Seven existing small flood water retention structures impacted by the reservoir will be modified for integrity and protection. Five sediment/debris basins will be installed immediately upstream of the multiple-purpose reservoir.

Upper Pelican River Watershed Plan, Becker County, Minnesota. The plan describes the water and related land resource problems, plan formulation, and expected impacts. The project is sponsored by the Pelican River Watershed District, City of Detroit Lakes, and Becker County Soil and Water Conservation District. The plan includes the restoration of the Rice Lake Wetland complex, installation of a sediment basin and accelerated application of conservation land treatment measures to reduce sedimentation, to improve water quality, and to improve wetland wildlife and waterfowl habitat. Implementation of the project would reduce the phosphorus loading to the lakes while improving the wetland wildlife and waterfowl habitat within the Upper Pelican River Watershed. The water quality within the lakes would meet or exceed the Minnesota Pollution Control Agency's goals for the watershed. The improved wetland wildlife and waterfowl habitat and water quality would maintain and possibly improve future recreational opportunities for local residents and visitors.

PART Assessment. During 2004, a single Program Assessment Rating Tool (PART) assessment was conducted on three NRCS watershed programs (Watershed Surveys and Planning, Watershed Protection and Flood Prevention, and Watershed Rehabilitation Program) and resulted in a rating of "Adequate."

To improve the performance of these watershed programs under PART, NRCS is taking the following action:

- Refining the new annual performance measures it has developed.
- Establishing baselines for the agency's newly developed efficiency measures.

NATURAL RESOURCES CONSERVATION SERVICE
Watershed and Flood Prevention Operations

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[Watershed and Flood Prevention Operations]

[For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1005 and 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, \$30,000,000, to remain available until expended: *Provided*, That not to exceed \$15,500,000 of this appropriation shall be available for technical assistance.]

The change in language proposes deletion of funding for the program.

NATURAL RESOURCES CONSERVATION SERVICE
Watershed and Flood Prevention Operations

	Watersheds Authorized by PL-534	Small Watersheds Authorized by PL-566	Total Watershed and Flood Prevention
Appropriations Act, 2008.....	\$4,982,000	\$25,018,000	\$30,000,000
Budget Estimate, 2009	--	--	--
Decrease in Appropriations.....	<u>-4,982,000</u>	<u>-25,018,000</u>	<u>-30,000,000</u>
Adjustments in 2008:			
Appropriations Act, 2008.....		\$30,000,000	
Rescission under P.L. 110-161 ^{a/}		<u>-210,000</u>	
Adjusted base for 2008.....			\$29,790,000
Budget Estimate, 2009			--
Decrease under adjusted 2008.....			<u>-29,790,000</u>

a/ The amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

**Summary of Increases and Decreases
(On basis of adjusted appropriation)**

<u>Item of Change</u>	2008 <u>Estimated</u>	<u>Pay Costs</u>	Program <u>Changes</u>	2009 <u>Estimated</u>
Watershed & Flood Prevention – Regular Appropriation:				
1. Watershed oper. auth by PL-534.....	\$4,947,000	--	-\$4,947,000	--
2. Small watershed auth. by PL-566.....	24,843,000	--	-24,843,000	--
Total Available.....	<u>29,790,000</u>	--	<u>-29,790,000</u>	--

**Project Statement
(On basis of appropriation)**

<u>Program</u>	<u>2007 Actual</u> : Staff:	<u>2008 Estimated</u> : Staff:	<u>Increase</u> or <u>Decrease</u>	<u>2009 Estimated</u> : Staff:
	<u>Amount:Years:</u>	<u>Amount :Years:</u>		<u>Amount : Years</u>
Watershed & Flood Prevention – Regular Appropriation:				
1. Watershed Operations	:	:	:	:
Authorized by PL-534:	:	:	:	:
(a) Technical assistance...	\$578,414: 14:	578,800: 7:	-578,800 :	--: --
(b) Financial assistance ...	1,589,426: --:	4,368,200: --:	-4,368,200 :	--: --
Subtotal, PL-534	2,167,840: 14:	4,947,000: 7:	-4,947,000(1)	--: --
2. Small Watersheds	:	:	:	:
Authorized by PL-566:	:	:	:	:
(a) Technical assistance...	4,756,505: 125:	8,272,900: 105:	-8,272,900 :	--: --
(b) Financial assistance ...	1,950,613: --:	16,570,100: --:	-16,570,100 :	--: --
Subtotal, PL-566	6,707,118: 125:	24,843,000: 105:	-24,843,000(2)	--: --
Total available or Est.....	8,874,958: 139:	29,790,000: 112:	-29,790,000 :	--: --
Rescission.....	--: --:	+210,000: --:		
Total, Appropriation.....	<u>8,874,958: --:</u>	<u>30,000,000: --:</u>		

Program	2007 Actual		2008 Estimated		Increase or Decrease	2009 Estimated	
	Amount	Years	Amount	Years		Amount	Years
Watershed & Flood Prevention – Supplemental Appropriations:							
1. Emergency Watershed Protection Operations:							
(a) Technical assistance...	1,782,000	213	--	275	--	--	--
(b) Financial assistance ...	8,910,000	--	--	--	--	--	--
Total, Appropriation.....	10,692,000	213	--	275	--	--	--

Project Statement
(On basis of available funds)

Program	2007 Actual		2008 Estimated		Increase or Decrease	2009 Estimated	
	Amount	Years	Amount	Years		Amount	Years
Watershed & Flood Prevention – Regular Appropriation:							
1. Watershed Operations							
Authorized by PL-534:							
(a) Technical assistance.	\$1,657,219	14	\$925,000	7	-\$925,000	--	--
(b) Financial assistance .	4,394,223	--	4,624,286	--	-4,624,286	--	--
Subtotal, PL-534	6,051,442	14	5,549,286	7	-5,549,286	--	--
2. Small Watersheds							
Authorized by PL-566:							
(a) Technical assistance.	12,758,070	125	12,273,111	105	-12,273,111	--	--
(b) Financial assistance .	16,952,666	--	24,014,400	--	-24,014,400	--	--
Subtotal, PL-566	29,710,736	125	36,287,511	105	-36,287,511	--	--
Total Direct Obligations...	35,762,178	139	41,836,797	112	-41,836,797	--	--
Unobligated balance							
brought forward.....	(-13,954,495)	--	(-12,046,797)	--	(+12,046,797)	--	--
Prior Year Recoveries	(-23,800,770)	--	--	--	--	--	--
Unobligated balance							
carried forward	(+12,046,797)	--	--	--	--	--	--
Adjusted Appropriation....	(8,874,958)	--	(29,790,000)	--	(-29,790,000)	--	--
Reimbursable obligations:							
1. Watershed Operations							
Authorized by PL-534:							
(a) Technical assistance.	-6,536	1	--	--	--	--	--
(b) Financial assistance .	-15,677	--	--	--	--	--	--
Subtotal, PL-534	-22,213	1	--	--	--	--	--
2. Small Watersheds							
Authorized by PL-566:							
(a) Technical assistance.	3,556,687	26	2,948,000	23	-2,948,000	--	--
(b) Financial assistance .	24,711,067	--	22,452,000	--	-22,452,000	--	--
Subtotal, PL-566	28,267,754	26	25,400,000	23	-25,400,000	--	--
Total Reimb. Obligations .	28,245,541	27	25,400,000	23	-25,400,000	--	--
Obligational authority	64,007,719	166	67,236,797	135	-67,236,797	--	--

Program	2007 Actual		2008 Estimated		Increase or Decrease	2009 Estimated	
	Amount	Staff: Years:	Amount	Staff: Years:		Amount	Staff: Years:
Watershed & Flood Prevention – Supplemental Appropriation:							
1. Emergency Watershed							
Protection Operations:							
(a) Technical assistance	\$33,993,815	213:	\$42,193,000	275:	-\$42,193,000	--:	--
(b) Financial assistance	151,780,259	--:	127,221,499	--:	-127,221,499	--:	--
Subtotal, EWP	185,774,074	213:	169,414,499	275:	-169,414,499	--:	--
Unobligated balance							
brought forward.....	(-311,425,362)	--:	(-169,414,499)	--:	(+169,414,499)	--:	--
Prior Year Recoveries	(-35,921,236)	--:	--:	--:	--:	--:	--
Unobligated balance							
carried forward	(+169,414,499)	--:	--:	--:	--:	--:	--
Adjusted Appropriation....	(10,692,000)	--:	--:	--:	--:	--:	--
Reimbursable obligations:							
1. Emergency Watershed							
Protection Operations:							
(a) Technical assistance	31,262	--:	17,000	--:	-17,000	--:	--
(b) Financial assistance	4,483,233	--:	4,583,000	--:	-4,583,000	--:	--
Subtotal, EWP	4,514,495	--:	4,600,000	--:	-4,600,000	--:	--
Obligational authority	190,288,569	213:	174,014,499	275:	-174,014,499	--:	--

Justification of Increases and Decreases

- (1) A decrease of \$4,947,000 for Watershed Operations Authorized by PL-534 (\$4,947,000 available in 2008):

The fiscal year 2009 budget proposes to terminate funding for this program. Since most program benefits are highly localized, the Agency anticipates that those PL-534 projects not yet completed will continue to receive strong local support from project sponsors.

- (2) A decrease of \$24,843,000 for Small Watersheds Authorized by PL-566 (\$24,843,000 available in 2008):

The fiscal year 2009 budget proposes to terminate funding for this program. Since most program benefits are highly localized, the Agency anticipates that those PL-566 projects not yet completed will continue to receive strong local support from project sponsors.

Status of PL-534 watershed projects:

<u>Status of Operational Projects</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Active sub-watersheds.....	111	109	--
Projects continuing post-installation assistance	203	205	--
Total operational sub-watersheds	314	314	--
Inactive projects	54	54	--
De-authorized projects ..	25	25	--
Total sub-watersheds.....	393	393	--

Status of PL-566 watershed projects:

<u>Status of Operational Projects</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Land treatment projects	100	97	--
Structural projects	185	182	--
Land treatment and structural	65	64	--
Subtotal active projects	350	343	--
Projects in post-installation assistance	1,013	1,018	--
Inactive Projects	182	182	--
Project Life Completed	41	43	--
De-authorized projects	158	158	--
Total operational projects	1,744	1,744	--
New projects approved during year	2	--	--

NATURAL RESOURCES CONSERVATION SERVICE
Watershed and Flood Prevention Operations

Geographic Breakdown of Obligations and Staff Years
2007 Actual and Estimated 2008 and 2009

	<u>2007</u>		<u>2008</u>		<u>2009</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Alabama	\$8,363,488	28	\$4,208,500	26	--	--
Alaska	731,328	3	8,123,800	4	--	--
Arizona	152,085	3	1,126,400	2	--	--
Arkansas	725,792	6	1,033,300	5	--	--
California	9,927,732	29	12,561,300	29	--	--
Colorado	529,945	2	365,500	2	--	--
Connecticut	1,475,232	3	120,000	--	--	--
Delaware	--	--	--	--	--	--
Florida	16,865,914	9	10,192,000	17	--	--
Georgia	1,679,952	5	2,336,800	9	--	--
Hawaii	5,408,440	3	8,232,900	9	--	--
Idaho	88,308	1	84,900	1	--	--
Illinois	74,806	1	72,000	1	--	--
Indiana	1,885	--	300	--	--	--
Iowa	1,347,526	13	1,198,200	11	--	--
Kansas	499,452	1	3,875,900	5	--	--
Kentucky	3,667,468	4	4,739,000	3	--	--
Louisiana	37,113,501	46	33,008,364	39	--	--
Maine	515,123	2	484,900	1	--	--
Maryland	91,706	1	88,200	1	--	--
Massachusetts	1,789,667	1	40,200	--	--	--
Michigan	3,927	--	5,500	--	--	--
Minnesota	1,043,790	3	403,900	2	--	--
Mississippi	62,669,233	46	34,818,900	63	--	--
Missouri	5,709,967	26	9,482,100	26	--	--
Montana	321,165	1	104,400	--	--	--
Nebraska	10,865	--	10,500	--	--	--
Nevada	12,360	--	0	--	--	--
New Hampshire	8,110,335	6	1,663,700	3	--	--

	2007		2008		2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
New Jersey	--	--	--	--	--	--
New Mexico	3,439,056	3	3,495,700	2	--	--
New York	7,234,880	7	1,232,500	3	--	--
North Carolina.....	920,024	4	1,217,200	3	--	--
North Dakota.....	863,585	8	916,000	8	--	--
Ohio.....	147,441	1	67,400	1	--	--
Oklahoma	7,214,098	8	10,130,100	15	--	--
Oregon.....	224,913	--	--	--	--	--
Pacific Basin.....	1,496,461	3	50,400	1	--	--
Pennsylvania	4,006,807	15	6,002,100	13	--	--
Puerto Rico.....	1,985	--	1,900	--	--	--
Rhode Island.....	--	--	--	--	--	--
South Carolina.....	2,423,988	6	2,970,100	8	--	--
South Dakota.....	176,999	--	156,900	--	--	--
Tennessee	2,549,610	4	1,868,900	6	--	--
Texas	6,622,955	12	19,810,400	25	--	--
Utah.....	7,356,877	6	10,664,300	7	--	--
Vermont	606,395	3	443,900	3	--	--
Virginia	346,905	3	357,500	3	--	--
Washington	11,768	--	10,400	--	--	--
West Virginia.....	4,560,454	16	5,412,800	12	--	--
Wisconsin.....	265,867	--	27,900	--	--	--
Wyoming.....	22,761	--	28,400	--	--	--
National Hdqtr.....	921,758	10	7,832,232	18	--	--
National Centers.....	1,187,230	--	172,400	--	--	--
Nat. Tech. Sup. Cent.	2,443	--	400	--	--	--
Total Obligations/Est.....	221,536,252	352	211,251,296	387	--	--

NATURAL RESOURCES CONSERVATION SERVICE
Watershed and Flood Prevention Operations

Classification By Objects
2007 Actual and Estimated 2008 and 2009

Personnel Compensation:	<u>2007</u>	<u>2008</u>	<u>2009</u>
Washington, D.C.	\$951,201	\$1,089,000	--
Field.....	<u>23,338,498</u>	<u>26,723,000</u>	<u>--</u>
11 Total personnel compensation	24,289,699	27,812,000	--
12 Personnel benefits	5,984,071	6,829,000	--
13 Benefits for former personnel	<u>--</u>	<u>--</u>	<u>--</u>
Total pers. comp. & benefits.....	<u>30,273,770</u>	<u>34,641,000</u>	<u>--</u>
Other Objects:			
21 Travel.....	1,880,109	2,335,000	--
22 Transportation of things	164,599	161,000	--
23.1 Rent payments to GSA.....	--	--	--
23.2 Rental payments to others	2,156,536	2,397,000	--
23.3 Communications, utilities, and misc. charges.....	1,174,124	1,383,000	--
24 Printing and reproduction.....	12,004	12,000	--
25.1 Advisory and assistance services	--	--	--
25.2 Other services	11,424,243	13,009,932	--
25.2 Construction contracts	132,406,728	119,505,364	--
26 Supplies and materials	752,094	932,000	--
31 Equipment.....	556,362	501,000	--
32 Land and structures	115,870	--	--
41 Grants.....	40,604,550	36,355,000	--
42 Insurance and loans.....	-95	--	--
43 Interest and dividends	15,358	19,000	--
44 Refunds	<u>--</u>	<u>--</u>	<u>--</u>
Total other objects.....	<u>191,262,482</u>	<u>176,610,296</u>	<u>--</u>
Total, direct obligations.....	<u>221,536,252</u>	<u>211,251,296</u>	<u>--</u>

**NATURAL RESOURCES CONSERVATION SERVICE
WATERSHED AND FLOOD PREVENTION OPERATIONS**

STATUS OF PROGRAM

Current Activities

Flood Prevention Authorized by Public Law 534. The Flood Control Act of 1944 authorizes the Secretary of Agriculture to install watershed improvement measures to reduce flood, sedimentation, and erosion damages; further the conservation, development, utilization, and disposal of water; and further the conservation and proper utilization of land. Flood prevention work is authorized in the 11 watersheds designated in the Flood Control Act of December 22, 1944.

Detailed sub-watershed work plans are prepared for P.L.-534 flood prevention projects in cooperation with soil conservation districts and other local sponsoring organizations. These plans outline soil and water management problems in sub-watersheds, proposals to alleviate these problems, the estimated benefits and costs, cost sharing, and operation and maintenance arrangements.

Watershed Operations Authorized by Public Law 566. The Watershed Protection and Flood Prevention Act of 1954 provides for cooperation between the Federal government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds. NRCS has the responsibility for administration of the Watershed Protection and Flood Prevention Act and the work authorized under the Flood Control Act. This includes responsibility for administering the installation of land treatment measures and works of improvement in authorized watersheds on non-Federal land and on Federal lands by arrangement with the administering agency.

Program Similarities. The P.L.-534 and P.L.-566 program authorities have similar objectives. The planning criteria, economic justifications, local sponsorship requirements, cost-sharing criteria, structural limitations, and other policies and procedures of the two programs generally parallel each other.

Program Technical and Financial Assistance. Watershed improvement measures are installed through:
1. Land treatment measures. NRCS assures that a program of proper land use and treatment will be carried out as a basic requirement for assistance in the development of flood prevention sub-watersheds or watershed projects. NRCS provides landowners and operators with technical assistance to accelerate the planning and application of land treatment measures that help achieve project objectives. This accelerated assistance is in addition to that received under other conservation programs.

Installation costs may be shared with Federal funds when land treatment measures are installed primarily to achieve environmental and public benefits, such as surface and ground water quality improvement, water conservation, and flood mitigation. The cost-share rate of this financial assistance may not exceed the rate of assistance for similar practices under other conservation programs of USDA. This work is accomplished through project agreements with local sponsoring organizations or through long-term contracts between the landowner and NRCS. In the first case, the local sponsors arrange for and accomplish the work by contract or force account. NRCS makes payments to the local sponsoring organizations as the land treatment measures are installed. In the long-term contract situation, landowners contract directly with NRCS.

2. Easements and construction activities. In addition to land treatment, these projects may involve a wide variety of other works of improvement: floodwater retarding dams, flood-proofing of buildings located in a floodplain, and floodplain easements; water supply and water conservation; stream channel restoration; grade stabilization and sediment control; fish and wildlife habitat; water-based recreation, and other similar measures. Detailed construction plans, designs, and specifications are prepared for these measures by NRCS or by the private sector, and by the local sponsoring organization.

NRCS provides all construction funds for flood mitigation and an equitable share of the cost of installing works of improvement for agricultural water management, fish and wildlife, water quality, or recreational development. The latter includes the cost of basic facilities for public health and safety, access to recreational areas, and use of the recreational development. Local organizations must pay all costs of works of improvement for other purposes. In addition, local organizations must acquire water right permits and furnish land, easements, and rights-of-way for all structural measures. However, up to one-half the cost of land, easements, and rights-of-way allocated to public fish and wildlife and recreational developments may be paid with P.L.-534 or P.L.-566 funds. Financial assistance may also be provided for the purchase of conservation easements at a federal cost share rate of 50 percent to 99 percent.

3. Technical assistance. Technical assistance is provided for flood mitigation, agricultural water management, water quality, and for water resource development or improvement for public fish and wildlife and recreational purposes, either directly by NRCS, or by the local organizations with advances or reimbursement from the Federal government. NRCS may also supply up to one-half the cost of engineering assistance required for the installation of basic facilities for public fish and wildlife and recreational development. Conservation measures can be installed using a variety of contracting methods. Contracts may be administered by NRCS using formal contracting procedures or by the sponsoring local organizations. Local sponsoring organizations must operate and maintain the completed works of improvement on non-Federal lands for the length of time that the project is economically evaluated. This period of time is usually between 25 and 100 years.

Program Benefits. Flood prevention and other annual benefits to the environment and communities from P.L.-566 and P.L.-534 that occurred in FY 2007 are shown below.

Monetary Benefits

- Agricultural Benefits (not related to flood control): \$355 million. Benefits associated with erosion control, animal waste management, water conservation, water quality improvement, irrigation efficiency, change in land use, etc.
- Non-Agricultural Benefits (not related to flood control): \$560 million. Benefits associated with recreation, fish and wildlife, rural water supply, water quality, municipal and industrial water supply, incidental recreation uses, etc.
- Agricultural Flood Protection Benefits: \$292 million. The sum of the agricultural flood damage prevented for the preceding year. This value includes all crop and pasture damage reduction benefits as well as all other agricultural damage reduction benefits.
- Non-Agricultural Flood Protection Benefits: \$396 million. Non-agricultural flood damage prevented for the preceding year, to roads, bridges, homes, and other structures that exist in the floodplain.

Benefits to Natural Resources

- Acres of nutrient management: 663,593
- Tons of animal waste properly disposed: 4,534,534
- Tons of soil saved from erosion: 89,611,688
- Miles of streams and corridors enhanced, or protected: 44,293
- Acres of lakes and reservoirs enhanced, or protected: 92,565,078
- Acre-feet of water conserved: 1,840,958
- Acres of wetlands created, enhanced, or restored: 278,964
- Acres of upland wildlife habitat created, enhanced, or restored: 9,143,316

Social and Community Benefits

- Number of people: 48,132,074
- Number of farms and ranches: 177,778
- Number of bridges: 58,328
- Number of public facilities: 3,625
- Number of businesses: 46,625
- Number of homes: 607,447
- Number of domestic water supplies: 27,827

Status of Flood Prevention Projects Authorized by P.L.-534. Because the authorized flood prevention projects include relatively large areas, work plans were developed on a sub-watershed basis. As of September 30, 2007, the total planning job was about 94 percent completed, with 397 work plans completed that include 30 million acres. The following table summarizes the status of sub-watershed planning by authorized project:

Flood Prevention Projects	Total authorized Area	Sub-watersheds and other areas with planning potential		Work plans developed through 9/30/07	
	Acres	No.	Acres	No.	Acres
Buffalo Creek, NY ^{a/}	279,680	3	279,680	3	279,680
Colorado (Middle),TX	4,613,120	17	3,703,520	17	3,703,520
Coosa, GA,TN ^{a/}	1,339,400	16	1,174,650	16	1,174,650
Little Sioux, IA	1,740,800	124	1,050,093	121	1,033,578
Little Tallahatchie, MS	963,977	18	625,274 ^{b/}	18	625,274
Los Angeles, CA ^{a/}	536,960	10	127,627 ^{c/}	10	127,627
Potomac, MD,PA,VA,WV	4,205,400	31	4,205,400	30	3,094,543
Santa Ynez, CA	576,000	5	50,743 ^{d/}	5	50,743
Trinity, TX	10,769,266	36	10,769,266	36	10,769,266
Washita, OK, TX	5,184,362	57	5,184,362	57	5,184,362
Yazoo, MS	7,661,278	104	3,955,124	84	3,955,124
TOTAL	37,870,243	421	31,125,739	397	29,998,367

^{a/} The Buffalo Creek Watershed was completed and closed in 1964 and reopened in 1992 for repairs. The Coosa Watershed was completed and closed in 1981.

The Los Angeles Watershed is completed.

^{b/} Excludes 96,501 acres of Sardis Reservoir area, and 304,000 acres in minor watersheds needing only land treatment measures.

^{c/} Includes National forest and other lands, for which the Forest Service has been assigned program responsibility.

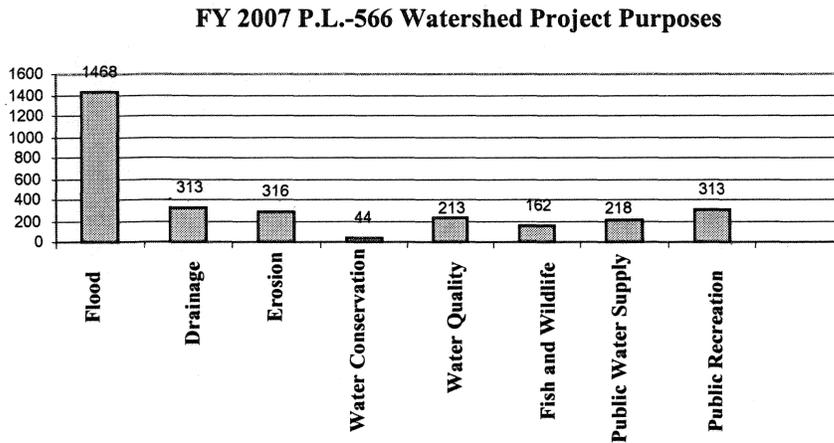
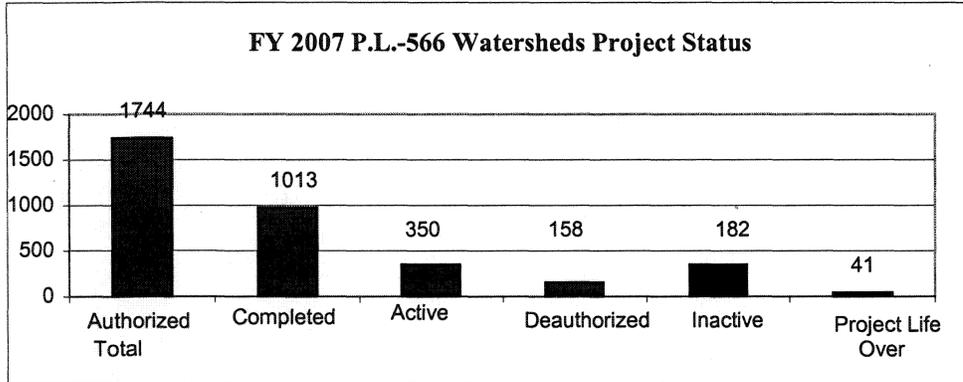
^{d/} Excludes 195,818 acres of reservoir area.

The estimated Federal cost for each watershed and total Federal obligations through FY 2007:

Flood Prevention Project	Estimated Total Federal Cost	Obligations (cumulative \$)
Buffalo Creek Watershed, NY (Complete)	\$7,827,746	\$6,287,347
Middle Colorado River Watershed, TX	71,111,062	63,062,555
Coosa River Watershed, GA and TN (Complete)	18,999,247	18,264,485
Little Sioux River Watershed, IA	98,581,921	91,256,719
Little Tallahatchie River Watershed, MS	69,501,448	76,322,835
Los Angeles River Watershed, CA	60,597,017	60,297,017
Potomac River Watershed, MD, PA, VA, and WV	150,217,206	134,365,200
Santa Ynez River Watershed, CA	41,386,536	40,786,536
Trinity River Watershed, TX	331,241,632	210,865,950
Washita River Watershed, OK and TX	202,491,055	192,054,203
Yazoo River Watershed, MS	252,957,352	251,443,563
TOTAL	\$1,304,912,222	\$1,145,006,410

Status of Watershed Projects Authorized by P.L.-566. Watershed Project Plans are prepared by local sponsoring organizations with assistance from NRCS. The plans are submitted to NRCS with requests for Federal funding authorization. Watershed projects involving an estimated Federal contribution in excess of \$5 million for construction, or construction of any single structure having a capacity in excess of 2,500 acre-feet of water storage, require authorization by Congressional committees. Watershed projects are limited to 250,000 acres and cannot include any single structure which provides more than 12,500 acre-feet of floodwater detention capacity, or more than 25,000 acre-feet of total capacity. The Chief of NRCS authorizes the use of Watershed Operations funds for all other projects.

After authorization, technical and financial assistance may be provided to local sponsoring organizations for installation of works of improvement specified in the plans.



New P.L.-566 Watershed Projects Authorized For Funding. No new P.L.-566 Watershed Projects were authorized for funding in FY 2007.

Unfunded Federal Commitments. Watershed project sponsors requested \$134 million for Watershed Project measures for FY 2008. These measures are ready for contracting and installation subject to appropriations; sponsors have acquired the necessary easements and rights-of-way, and the requested funds include costs for surveys and designs.

Total Backlog of Projects. The backlog is the unfunded Federal commitment or funding needed to install the remaining measures in the existing 350 active watershed projects. The current backlog is \$1.42 billion. When installed, these floodwater dams, reservoirs, and other conservation practices will reduce flood damages in 363 communities, provide agricultural water supply in 83 communities, improve water quality in 151 stream segments, install water conservation measures in 30 projects, and enhance, restore or create wildlife habitat in 60 projects. In addition to the sponsors' request for FY 2008 funds, the following summary indicates the Federal funds necessary to complete all remaining measures:

Unfunded Federal Commitments to Authorized Watershed Projects

State	P.L.-566 (\$)	P.L.-534 (\$)	Total (\$)
Alaska	\$9,351,600		\$9,351,600
Alabama	11,274,000		11,274,000
Arkansas	53,403,000		53,403,000
Arizona	9,444,421		9,444,421
California	43,785,000		43,785,000
Colorado	6,240,000		6,240,000
Connecticut	4,526,200		4,526,200
Delaware	0		0
Florida	1,238,720		1,238,720
Georgia	5,209,772		5,209,772
Hawaii	45,807,000		45,807,000
Iowa	39,447,000	\$2,850,000	42,297,000
Idaho	12,586,255		12,586,255
Illinois	82,700,000		82,700,000
Indiana	8,008,240		8,008,240
Kansas	64,108,800		64,108,800
Kentucky	13,174,034		13,174,034
Louisiana	5,090,000		5,090,000
Massachusetts	0		0
Maryland	450,000		450,000
Maine	500,000		500,000
Michigan	1,155,375		1,155,375
Minnesota	2,447,400		2,447,400
Missouri	59,262,000		59,262,000
Mississippi	16,685,500	162,350,850	179,036,350
Montana	6,025,500		6,025,500
North Carolina	11,897,840		11,897,840
North Dakota	14,093,000		14,093,000
Nebraska	5,509,100		5,509,100
New Hampshire	0		0
New Jersey	0		0
New Mexico	57,597,000		57,597,000
Nevada	0		0
New York	2,659,557		2,659,557
Ohio	9,055,000		9,055,000
Oklahoma	217,281,000	16,677,000	233,958,000
Oregon	4,399,796		4,399,796
Pennsylvania	17,295,000		17,295,000
Pacific Basin	6,013,000		6,013,000
Puerto Rico	0		0
South Carolina	13,000		13,000
South Dakota	50,000		50,000
Tennessee	29,031,477		29,031,477

State	P.L.-566 (\$)	P.L.-534 (\$)	Total (\$)
Texas	135,098,500	158,300,000	293,398,500
Utah	390,860		390,860
Virginia	8,795,146	16,436,633	25,231,779
Vermont	400,000		400,000
Washington	1,000,000		1,000,000
Wisconsin	0		0
West Virginia	12,779,000	24,057,022	36,836,022
Wyoming	7,520,955		7,520,955
Total	\$1,042,799,048	\$380,671,505	\$1,423,470,553

Loan Programs Under P.L.-534 and P.L.-566. Both programs provide for loans and loan services to finance the local share of the costs of installing, repairing, or enhancing works of improvement and water storage facilities, purchasing sites or rights-of-way, and for related costs in approved watershed and flood prevention projects. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. The interest rate is not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity on obligations of similar maturity. For a single plan for works of improvement, the amount of the loan may not exceed \$10 million. Loans are financed through the Rural Utilities Service (RUS).

There are currently 68 borrowers who are holding loans with an unpaid principal amount of \$17.3 million. Over the life of the program, 495 loans have been made at a value of almost \$176 million. Congress did not appropriate funds in FY 2007 to provide new loans under this program.

Item	2006 Actual		2007 Actual		2008 Estimated	
	No.	\$ (000)	No.	\$ (000)	No.	\$ (000)
Loans obligated during year	--	--	--	--	--	--
Borrowers outstanding	70	\$18,341	68	\$17,277	60	\$15,600
Loans cumulative	495	\$175,903	495	\$175,903	495	\$175,903

Selected Examples of Recent Progress

Kansas, Benefits of Watershed Projects: Flooding can be a frequent scourge to farms and small communities alike. Excessive rain can turn a docile creek into a torrent of water that inflicts widespread damage to homes, roads, and agricultural land. Lives and livelihoods can be affected, and rebuilding efforts can drain both public and private coffers.

In May 2007, rural Kansans faced major flooding. On the first weekend of the month, a torrential rainstorm dropped four to eight inches in many places and up to 12 inches in others. Two weeks later, another storm dropped virtually the same amounts in the same places. Both rainstorms resulted in flash flooding on several streams.

Fortunately, over 780 Watershed Program floodwater-retarding dams and associated land treatment measures (e.g. terraces, reduced tillage practices, riparian buffers) were in place to moderate the floodwaters' destructive paths. Built in small drainages, the dams with pool surface areas of 20 to 200 acres were designed to capture and slowly release excessive rainfall runoff.

After extensive flooding in the early 1950's, rural Kansans looked to NRCS for help in protecting their communities. NRCS has developed strong partnerships with state and local entities to plan and install effective flood-prevention measures.

A distinctive strength of P.L.-566 is that it is locally led. In Kansas, planning leadership comes from organized watershed districts. In the last 53 years, these districts have developed 63 watershed work plans

and built 80 percent of the planned 969 small floodwater-retarding dams. An estimated 275,000 Kansans annually glean \$41 million in direct benefits from measures installed under the program. Benefits include flood protection, water quality, reduced soil erosion, and wildlife habitat.

As the recent heavy rains in Kansas have demonstrated, the P.L.-566 program can be a stabilizing presence in the economic and social development of rural Kansas. Downstream from the conservation practices and watershed dams, farmsteads and farmland are being protected and communities' investments in infrastructure preserved.

Kansas: Black Vermillion Watershed. "The watershed dams are working great!" said a member of the Black Vermillion Watershed Board who has served on the Board for over 30 years and president for the last 15. This watershed is located in parts of Marshall and Nemaha counties. "The watershed dams protect the town of Frankfort from floodwaters as well as agricultural land, rural homes, and roads," said the Board president. He can remember when the town of Frankfort flooded on a regular basis, and he rode down Main Street in a boat.

Finished just in time to handle the heavy rains of early May is a 37-acre dam north of Frankfort. Completed last summer, the dam did its job by holding the water and then releasing it slowly. The overflow pipe only flowed for four days. "Our watershed planned 108 dams for flood protection. Seventy-eight have been built," said the Board president. "However, more money would be needed to complete the dams as well as willing landowners to donate the land needed for the dams." He donated land for two watershed dams and has enrolled the land around them in the Conservation Reserve Program to help maintain good water quality. Six of the dams were built with State Cost-Share Assistance and the others were completed with PL-566 assistance.

"I take pride in those dams," says the Board president, "I mow around them and allow 'Walk-in Fishing' so others can enjoy them too." The Kansas Department of Wildlife and Parks stocked the dams with fish.

Texas: Sulphur Creek Watershed. The Sulphur Creek watershed received 12 to 14 inches of rain from May 21-27. The resulting runoff produced flooding that caused considerable damage to the Hancock Park Golf Course and W.M. Brook Park. Pecan Creek Village apartments along Sulphur Creek also were flooded, resulting in the evacuation of numerous residents. Several businesses along Fourth Street were inundated with water, as well. As bad as the damage was, the former Water Improvement and Control District Director, wondered how much worse the flooding would have been if the nine floodwater-retarding structures had not been built above the city of Lampasas. "I doubt if most new residents even know the flood-prevention dams are there," he said. "Residents and businesses should be thankful the dams are protecting the city."

His question about the potential damages was answered recently when NRCS conducted an FRS Benefits and Function analysis of the May 2007 flood event. NRCS estimated the damages prevented by the retention structures from the May 22 storm ranged from \$500,000 to \$1.2 million. The dams saved \$250,000 to \$500,000 from the subsequent May 24-31 rainfall. The total estimated floodwater damage-reduction benefits to the city of Lampasas and the county was estimated to be \$1.6 million. Had the flood control dams not been built, water would have been several feet deep along south Key Avenue and in the county courthouse, just as occurred in 1957. Also, most businesses in the downtown area would have suffered significant flood damage. May 12 marked the 50th anniversary of the '57 Mother's Day flood, a deluge of unprecedented magnitude that hit Lampasas

PART Assessment. During 2004, a single Program Assessment Rating Tool (PART) assessment was conducted on three NRCS watershed programs (Watershed Surveys and Planning, Watershed Protection and Flood Prevention and Watershed Rehabilitation Program) and resulted in a rating of "Adequate."

To improve the performance of these watershed programs under PART, NRCS is taking the following action:

- Refining the new annual performance measures it has developed.
- Establishing baselines for the agency's newly developed efficiency measures.

**NATURAL RESOURCES CONSERVATION SERVICE
EMERGENCY WATERSHED PROTECTION PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. Congress established the Emergency Watershed Protection Program (EWP) to respond to emergencies created by natural disasters. EWP, an emergency recovery program, relieves imminent hazards to life and property caused by floods, fires, windstorms, and other natural occurrences. All projects undertaken, with the exception of the purchase of floodplain easements, must be sponsored by a legal subdivision of the State. This includes any city, county, general improvement district, conservation district, or Native American Tribe or Tribal organization as defined in section 4 of the Indian Self-Determination and Education Assistance Act. NRCS is responsible for administering the program.

EWP funds have restrictions. EWP cannot solve problems that existed before the disaster or improve the level of protection above that which existed before a disaster. It cannot fund operation and maintenance work or repair private or public transportation facilities or utilities. The work cannot adversely affect downstream water rights and funds cannot be used to install measures not essential to the reduction of hazards. Funds cannot be used to perform work on measures installed by another Federal agency.

Program Administration. All EWP work must reduce threats to life and property and must be economically, environmentally, and socially defensible and technically sound. NRCS may bear up to 75 percent (90 percent within limited resource areas as identified by the US Census data) of the construction cost of emergency measures. The remaining 25 percent (10 percent within limited resource areas) must come from local sources as cash or in-kind services.

Public and private landowners are eligible for assistance but must be represented by a project sponsor. Sponsors are responsible for providing land rights to do repair work and securing the necessary permits. Sponsors are also responsible for the local cost share and the installation of work. Work can be done either through Federal or local contracts. EWP work is not limited to any one set of prescribed measures. NRCS makes case-by-case investigations of the work. EWP work includes removing debris from stream channels, road culverts, and bridges; reshaping and protecting eroded banks; correcting damaged drainage facilities; repairing levees and structures; reseeding damaged areas; and purchasing floodplain easements.

EWP is dependent upon supplemental appropriations from Congress. In FY 2007, USDA provided NRCS \$10,692,000 from discretionary funding provided by a Congressional supplemental appropriation

Floodplain Easements. Section 382 of the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127, amended the EWP to provide for the purchase of floodplain easements as an emergency measure. Since 1996, NRCS has purchased floodplain easements on agricultural lands that qualify for EWP assistance. Floodplain easements restore, protect, maintain, and enhance the functions of wetlands and riparian areas; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; and safeguard lives and property from floods, drought, and the products of erosion.

NRCS may purchase EWP easements on any floodplain lands that have been impaired within the last 12 months or that have a history of repeated flooding (i.e., flooded at least three times during the past 10 years). Under the floodplain easement option, a landowner offers to sell a permanent conservation easement that provides NRCS with the full authority to restore and enhance the floodplain's functions and values. In exchange, a landowner receives the least of one of the three following values as an easement payment: 1) a geographic rate established by the NRCS state conservationist; 2) a value based on a market appraisal analysis for agricultural uses or assessment for agricultural land; or 3) the landowner offer.

The easement provides NRCS with the full authority to restore and enhance the floodplain's functions and values. NRCS may pay up to 100 percent of the restoration costs of the easement. Restoration efforts include both structural and non-structural practices. To the extent practicable, NRCS actively restores the natural features and characteristics of the floodplain through re-creating the topographic diversity, increasing the duration of inundation and saturation, and providing for the re-establishment of native vegetation. The landowner is provided the opportunity to participate in the restoration efforts. Landowners retain several rights to the property, including quiet enjoyment, the right to control public access, and the right to undeveloped recreational use such as hunting and fishing. At any time, a landowner may obtain authorization from NRCS to engage in other activities provided that NRCS determines it will further the protection and enhancement of the easement's floodplain functions and values.

The floodplain easement component of EWP began as a pilot effort in 17 states in FY 1997 and continued through FY 2001. In FY 2001, NRCS allocated \$35 million to States to accept 208 offers on 29,067 acres. No funds have been made available for floodplain easement purchases since FY 2001. There exist over 650 pending landowner applications on 75,000 acres. These unfunded offers have an estimated cost of \$100.8 million. Renewed interest in the program has been expressed in many of the states, especially those that have experienced recent natural disasters.

Additional information on EWP is available on the NRCS website at:

<http://www.nrcs.usda.gov/programs/ewp/index.html>

EWP Status and Accomplishments for FY 2007

General:		<u>Outputs:</u>	
Disaster Events Funded (Number)	45	Debris Removed (Feet)	9,644,896
Disaster Events Unfunded (Number)	47	Streambank Stabilized (Feet)	399,977
Completed Projects (Number)	38	Land Protected (Acres)	20,865
Costs:		<u>People Benefited:</u>	
Technical Assistance	\$17,064,305	Minority (Number)	1,741,275
Financial Assistance	\$75,863,916	Other (Number)	3,159,862
Local Contribution	\$23,709,190	Total (Number)	4,901,137
Total Costs	\$116,637,411		
Benefits:		<u>8(a) Contracts:</u>	
<u>Outcomes:</u>		Number	18
Public Buildings Protected (Number)	427	Value of 8(a) Contracts	\$796,981
Private Buildings Protected (Number)	75,234		
Roads Protected (Miles)	767	<u>Total Benefits:</u>	
Utilities Protected (Number)	418	Economic	\$736,327,442
Value of Property Protected	\$8,367,049,668	Cost/Benefit Ratio	1.0:6.3

Allocation of FY 2007 Supplemental Appropriation

<u>State</u>	<u>Allocation</u>
Kansas	\$3,660,000
Missouri	\$3,000,000
Oklahoma	\$4,032,000
Total	\$10,692,000

Selected Examples of Recent Progress

Minnesota: August 2007 Floods. Southeast Minnesota residents may have lived through some of the worst flash flooding in state history during the August storms of 2007. The director of emergency management in Houston County said nearly 20 inches of rain fell over a two day period. In some areas of Houston and Winona County over 17 inches of rain fell in one 24 hour period. The previous state record was about 10.5 inches in 24 hours.

EWP recovery work protected 11 families and homes in Minnesota City, where from 80 to 125 feet of what was their backyard was lost and buildings and trees were being consumed by Garvin Brook. The streambank was shaped to stabilize the slope and protected on the lower section with rock.

In Hokah, Minnesota, seven homes and businesses were protected with EWP recovery work due to threats left after the storm. Landslides occurred once the soil was saturated, and then the runoff increased erosion on the exposed soils. Homes and businesses were perched on the top of these landslide sites seriously threatened by the next significant rain.

Kansas: Historic Bridge Protected with Emergency Watershed Protection Program Assistance. An historic stone arch bridge in Kansas was recently saved with assistance from EWP. In the summer of 2007, EWP and Cowley County (County), Kansas, proved to be a perfect fit. Starting in May, the County experienced one flood event after another. Then, in late June, a massive storm dropped over 20 inches of rain--60 percent of the County's average annual amount. The result was a 500-year flood that inflicted widespread damage to agricultural areas. Lives and livelihoods were affected, and rebuilding efforts drained both public and private coffers.

In the flood's wake was a severe debris blockage on Grouse Creek that threatened the structural integrity of a century-old three-span stone arch county bridge. Listed on the National Park Service's National Register of Historic Places, the bridge not only serves as a link between the east and west banks of the creek, but as a tourist attraction as well. If it were lost, its replacement cost would be about \$1 million.

With exhausted financial resources, the County turned to NRCS for help. Kansas NRCS determined that the debris blockage was causing bank erosion around the bridge abutment. In the next flood event, or even with continued high flows, the bridge would likely be washed out or made unsafe for traffic. NRCS deemed the impairment eligible for EWP assistance and recommended immediate action to save the bridge.

Concurring with NRCS' conclusion, the County agreed to perform the work to clear the debris. Total cost of the project was less than \$20,000. NRCS paid 75 percent and the County picked up the remaining portion and secured the necessary permits and access to the site. Within 10 days of first requesting EWP assistance, the County had removed the threat to the bridge.

Oklahoma: Tropical Storm Erin. On August 18 and 19, 2007, a large band of thunder storms associated with Tropical Storm Erin produced gusting winds near hurricane force and cyclonic weather pattern. The storm had 24 counties under a state of emergency as up to 12.9 inches of rain were dumped in parts of the state in less than a 24 hour period. The storm claimed seven lives in five counties and is part of a continuing record rainfall year for the state.

The EWP response involved NRCS working with local sponsors in six of the 24 affected counties for the flood event. Over \$600,000 in federal financial assistance was used to assist in emergency erosion protection in six counties. The work included erosion protection of infrastructure such as approaches to bridges as well as protection of housing below a P.L. 78-534 flood control structure. The benefits associated with the EWP work were in excess of \$2.1 million.

PART Assessment. In 2006, a PART assessment rated the Emergency Watershed Protection Program as “Adequate.” The assessment found that NRCS improved EWP management with State Emergency Recovery Plans that allow for rapid response; improved coordination with other emergency assistance agencies; and addressed actions recommended in both internal and external evaluations.

In response to the 2006 findings, NRCS is taking action under PART to improve program performance by:

- Updating the program manual to provide guidance on how to implement a cost effective and efficient program.
- Improving data management to increase program accountability and efficiency, improve financial reporting, and increase cost-effectiveness.

NATURAL RESOURCES CONSERVATION SERVICE
Watershed Rehabilitation Program

The estimates include appropriation language for this item as follows:

Watershed Rehabilitation Program

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C 1012), and in accordance with the provisions of laws relating to the activities of the Department, [~~\$20,000,000~~]\$5,920,000, to remain available until expended.

NATURAL RESOURCES CONSERVATION SERVICE
Watershed Rehabilitation Program

Appropriations Act, 2008.....	\$20,000,000
Budget Estimate, 2009	<u>5,920,000</u>
Decrease in Appropriations.....	<u>-14,080,000</u>
Adjustments in 2008:	
Appropriations Act, 2008.....	\$20,000,000
Rescission under P.L. 110-161 ^{a/}	<u>-140,000</u>
Adjusted base for 2008.....	\$19,860,000
Budget Estimate, 2009	<u>5,920,000</u>
Decrease under adjusted 2008.....	<u>-13,940,000</u>

a/ The amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

Summary of Increases And Decreases
(On basis of adjusted appropriation)

<u>Item of Change</u>	2008		Program <u>Changes</u>	2009
	<u>Estimated</u>	<u>Pay Costs</u>		<u>Estimated</u>
Watershed Rehabilitation Program	<u>\$19,860,000</u>	<u>+\$113,000</u>	<u>-\$14,053,000</u>	<u>\$5,920,000</u>

Project Statement
(On basis of appropriation)

Program	2007 Actual		2008 Estimated		Increase or Decrease	2009 Estimated	
	Amount	: Staff: : Years:	Amount	: Staff: : Years:		Amount	: Staff : Years
Watershed Rehabilitation:							
Technical Assistance	\$17,025,000:	113:	\$7,294,000:	48:	-\$1,374,000:	\$5,920,000:	34
Financial Assistance	14,284,390:	--:	12,566,000:	--:	-12,566,000:	--:	--
Total available or Est.....	31,309,390:	113:	19,860,000:	48:	<u>-13,940,000(1):</u>	<u>5,920,000:</u>	<u>34</u>
Rescission.....	--:	--:	+140,000:	--:			
Total, Appropriation.....	<u>31,309,390:</u>	<u>--:</u>	<u>20,000,000:</u>	<u>--:</u>			

Project Statement
(On basis of available funds)

Program	2007 Actual		2008 Estimated		Increase or Decrease	2009 Estimated	
	Amount	: Staff: : Years:	Amount	: Staff: : Years:		Amount	: Staff : Years
Watershed Rehabilitation:							
Technical Assistance	\$18,129,902:	113:	\$8,180,000:	48:	-\$2,260,000:	\$5,920,000:	34
Financial Assistance	17,045,653:	--:	14,109,104:	--:	-14,109,104:	--:	--
Total Direct Obligations...	35,175,555:	113:	22,289,104:	48:	-16,369,104:	5,920,000:	34
Unobligated balance							
brought forward.....	(-3,078,298)	--:	(-2,429,104)	--:	(+2,429,104)	--:	--
Prior Year Recoveries	(-3,216,971)	--:	--:	--:	--:	--:	--
Unobligated balance							
carried forward	(+2,429,104)	--:	--:	--:	--:	--:	--
Adjusted Appropriation....	(31,309,390)	--:	(19,860,000)	--:	(-13,940,000)	(5,920,000)	--
Reimbursable Oblig.....	1,070,817:	--:	--:	--:	--:	--:	--
Obligational Authority	36,246,372:	113:	22,289,104:	48:	-16,369,104:	5,920,000:	34

Justification of Increases and Decreases

- (1) A net decrease of \$13,940,000 for Watershed Rehabilitation (\$19,860,000 available in 2008) consisting of:

- (a) A decrease of \$14,053,000 and 14 staff years for watershed rehabilitation activities.

The 2009 budget proposes \$5,920,000 to assist local government and private landowners with planning the rehabilitation of federally built dams that have reached the end of their design life. This reduction reflects the Administration's position that the maintenance, repair, and operation of these dams are primarily a local responsibility since program benefits are highly localized. A reduced level of funding will provide technical assistance to address those dams with the greatest potential for damage.

- (b) An increase of \$113,000 to fund increased pay costs.

This increase supports achieving the agency's strategic goals and objectives of reducing risks from flooding to protect individual and community health and safety. The increased pay cost funds will be used to pay salaries and benefits for existing staff.

NATURAL RESOURCES CONSERVATION SERVICE
Watershed Rehabilitation Program

**Geographic Breakdown of Obligations and Staff Years
2007 Actual and Estimated 2008 and 2009**

	2007		2008		2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama	\$299,802	--	\$229,400	--	\$16,200	--
Arizona	1,421,882	5	641,100	3	464,000	2
Arkansas	559,128	3	252,100	1	182,500	1
California	189,878	1	85,600	--	61,900	--
Colorado	65,785	1	29,700	--	21,400	--
Georgia	1,574,220	4	1,162,000	2	122,100	1
Indiana	-1,456	--	--	--	--	--
Iowa	521,584	2	359,500	1	62,500	1
Kansas	98,386	1	44,400	--	32,100	--
Kentucky	663,647	4	353,100	2	169,900	1
Louisiana	-54	--	--	--	--	--
Massachusetts	544,000	1	245,300	1	177,500	1
Michigan	-1,636	--	--	--	--	--
Minnesota	43,490	--	19,600	--	14,200	--
Mississippi	3,078,535	6	2,330,200	3	188,800	2
Missouri	219,999	1	99,200	--	71,800	--
Montana	198,004	--	89,300	--	64,600	--
Nebraska	2,403,360	5	1,575,500	2	358,400	1
New Hampshire	-1,775	--	--	--	--	--
New Jersey	-120	--	--	--	--	--
New Mexico	1,673,047	4	1,221,900	2	141,000	1
New York	75,014	1	33,800	--	24,500	--
North Dakota	262,017	2	120,900	1	83,200	1
Ohio	744,000	1	555,900	--	51,900	--
Oklahoma	9,126,183	27	6,243,960	12	1,134,400	9
Pennsylvania	120,595	1	54,400	--	39,300	--
Puerto Rico	-181	--	--	--	--	--
South Carolina	-4,563	--	--	--	--	--
South Dakota	-188	--	--	--	--	--
Tennessee	148,440	1	66,900	--	48,500	--
Texas	3,528,454	19	2,096,000	9	714,100	6
Utah	298,035	2	134,400	1	97,300	1
Virginia	3,321,268	6	2,437,644	3	269,900	2
West Virginia	397,965	3	179,400	1	129,900	1
Wisconsin	143,361	1	64,600	--	46,800	--
Wyoming	-1,456	--	--	--	--	--
National Hdqtr	3,389,819	10	1,528,500	4	1,106,100	3
National Centers	77,201	1	34,800	--	25,200	--
Nat. Tech. Sup. Cen	-115	--	--	--	--	--
Total Obligations/Est	35,175,555	113	22,289,104	48	5,920,000	34

NATURAL RESOURCES CONSERVATION SERVICE
Watershed Rehabilitation Program

Classification By Objects
2007 Actual and Estimated 2008 and 2009

Personnel Compensation:	<u>2007</u>	<u>2008</u>	<u>2009</u>
Washington, D.C.	\$880,487	\$391,000	\$285,000
Field.....	<u>7,080,174</u>	<u>3,147,000</u>	<u>2,295,000</u>
11 Total personnel compensation	7,960,661	3,538,000	2,580,000
12 Personnel benefits	2,223,107	988,000	720,000
13 Benefits for former personnel	<u>--</u>	<u>--</u>	<u>--</u>
Total pers. comp. & benefits.....	<u>10,183,768</u>	<u>4,526,000</u>	<u>3,300,000</u>
Other Objects:			
21 Travel.....	278,292	126,000	91,000
22 Transportation of things.....	-9,174	--	--
23.1 Rent payments to GSA.....	--	--	--
23.2 Rental payments to others.....	663,526	302,000	218,000
23.3 Communications, utilities, and misc. charges.....	240,671	110,000	79,000
24 Printing and reproduction.....	11,529	5,000	4,000
25.1 Advisory and assistance services	--	--	--
25.2 Other services	5,620,897	2,593,104	1,854,000
25.2 Construction contracts	5,019,565	4,155,000	--
26 Supplies and materials	294,540	134,000	97,000
31 Equipment.....	828,620	377,000	272,000
32 Land and structures	--	--	--
41 Grants.....	12,026,088	9,954,000	--
42 Insurance and loans.....	16,221	7,000	5,000
43 Interest and dividends	1,012	--	--
44 Refunds	<u>--</u>	<u>--</u>	<u>--</u>
Total other objects.....	<u>24,991,787</u>	<u>17,763,104</u>	<u>2,620,000</u>
Total, direct obligations.....	<u>35,175,555</u>	<u>22,289,104</u>	<u>5,920,000</u>

**NATURAL RESOURCES CONSERVATION SERVICE
WATERSHED REHABILITATION PROGRAM**

STATUS OF PROGRAM

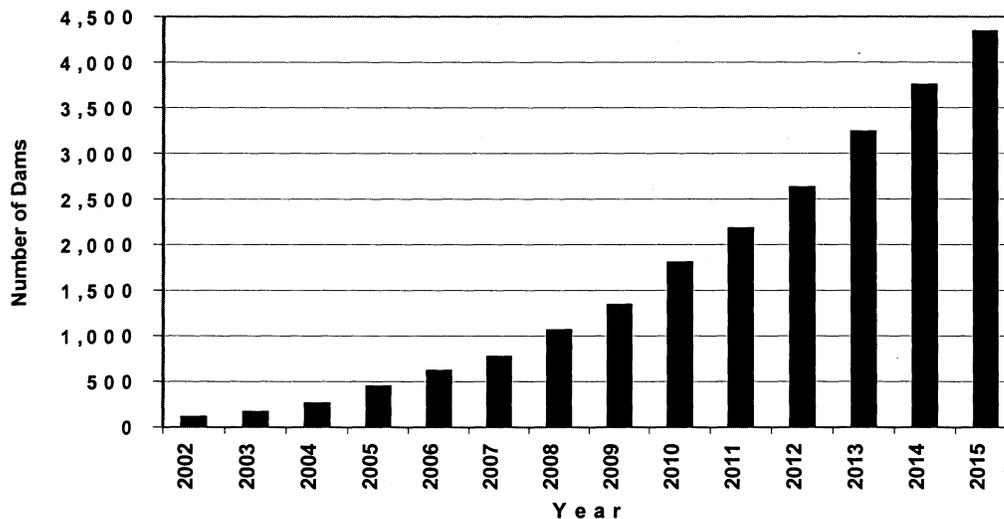
Current Activities

Background. Local communities have constructed more than 11,000 watershed dams with assistance from NRCS since 1948. These dams protect America's communities and natural resources with flood control but many also provide the primary source of drinking water for some areas, as well as recreation and wildlife areas for others. These projects have become an integral part of the communities they were designed to protect. But like highways, utilities, and other public infrastructure, these dams need to be rehabilitated to protect public health and safety and to meet changing resource needs.

Some communities that have been protected by these watershed dams are now more vulnerable to the devastation caused by flooding because many of the dams have reached or will soon reach the end of their 50-year design life. In 2007, 775 watershed dams reached the end of their designed life-span. By 2015, this number will exceed 4,300. Time has taken its toll on many of the dams: spillway pipes have deteriorated and reservoirs have filled with sediment. More significantly, subdivisions and businesses have been built in areas that were once agricultural land and that the dams protected from flooding. As a consequence, if a dam should fail, a serious threat would be posed to the health and safety of those living downstream and to the communities that depend on the reservoir for drinking water. A dam failure would create serious adverse environmental impacts to the ecosystem.

Additional program information and the Watershed Rehabilitation Progress Report can be found on the NRCS webpage at <http://www.nrcs.usda.gov/programs/WSRehab>.

**Number of Watershed Dams That Will Reach the
End of Their Design Life, By Year Through 2015**



Authorizing Legislation and Pilot Projects. In November 2000, P.L. 83-566 was amended by P.L. 106-472 "The Watershed Rehabilitation Amendments of 2000," which authorized NRCS to assist communities to address public health and safety concerns and environmental impacts of aging dams. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams. NRCS may provide 65 percent of the total cost of the rehabilitation projects; however, federal funds cannot be used for operation and maintenance

activities. Rehabilitation also provides opportunities for communities to gain new benefits, such as adding municipal and irrigation water supplies, recreation, and wetland and wildlife enhancement. The 2002 Farm Bill amended Public Law 83-566 to increase authorized funding levels for Watershed Rehabilitation through FY 2007.

The FY 2000 and FY 2001 Agricultural Appropriations Acts included authorization for a total of \$16 million of EWP funds for pilot rehabilitation projects. The maximum amount of Federal funds eligible for these pilot projects was 65 percent of the total rehabilitation project costs. NRCS worked with local project sponsors, state dam safety agencies, and community leaders on these high priority pilot projects that address public safety concerns and environmental issues. The pilot projects in New Mexico, Mississippi, Ohio, and Wisconsin include rehabilitation of 32 dams in 20 watershed projects. Construction is complete on 30 of the 32 dams.

Community Interest. Project sponsors submitted requests for Federal assistance totaling \$37 million for the rehabilitation of 112 high priority dams in 27 states for FY 2007.

Appropriations. FY 2007 was the sixth year of funding for watershed rehabilitation with \$31.3 million appropriated. A total of 94 rehabilitation projects in 24 states were funded in FY 2007 (including 26 new projects). Funds were also provided for construction and implementation of rehabilitation plans on 27 dams. Funds were not available to address 18 requests for new watershed rehabilitation projects. In FY 2002, \$10 million was appropriated; \$29.8 million in FY 2003; \$29.6 million in FY 2004; \$27.5 million in FY 2005; and \$31.5 million in FY 2006. Dams that posed the highest risk to life and property have been the highest priority for funds for all six years.

Summary of Watershed Rehabilitation Projects and Allocations as of September 30, 2007

State	Total Number Of Funded Rehabilitation Projects 2000 – 2007	Number of Dams Rehabilitated	FY 2007 Federal Allocations ¹
Alabama	1	0	\$300,000
Arizona	6	0	\$1,479,786
Arkansas	6	0	\$566,209
California	1	0	\$190,000
Colorado	0	0	\$65,785
Georgia	6	2	\$1,675,000
Idaho	0	0	\$0
Illinois	0	0	\$0
Indiana	0	0	\$0
Iowa	4	2	\$674,000
Kansas	1	0	\$96,667
Kentucky	3	0	\$664,093
Louisiana	0	0	\$0
Maine	0	0	\$0
Massachusetts	1	0	\$544,000
Michigan	0	0	\$0
Minnesota	0	0	\$47,000
Mississippi	19	9	\$3,132,000
Missouri	2	1	\$220,000
Montana	2	0	\$198,848
Nebraska	11	2	\$2,406,000
New Hampshire	0	0	\$0
New Jersey	0	0	\$0
New Mexico	10	3	\$2,390,432
North Carolina	0	0	\$0
North Dakota	2	0	\$262,200

State	Total Number Of Funded Rehabilitation Projects 2000 – 2007	Number of Dams Rehabilitated	FY 2007 Federal Allocations ¹
New York	5	2	\$76,675
Ohio	8	7	\$744,000
Oklahoma	30	15	\$9,127,780
Pennsylvania	1	0	\$680,000
South Carolina	0	0	\$0
South Dakota	0	0	\$0
Tennessee	2	1	\$150,000
Texas	14	7	\$4,498,277
Utah	1	0	\$358,974
Vermont	0	0	\$0
Virginia	7	2	\$3,519,982
West Virginia	3	0	\$400,000
Wisconsin	14	11	\$146,178
Wyoming	0	0	\$0
Puerto Rico	0	0	\$0
NHQ	0	0	\$1,015,385
Total	160	64	\$35,629,271

¹ Allowances include project planning and implementation. Carryover funds and prior year recoveries are included in the allocation.

Meeting Challenges through Partnerships. Partnerships between local communities, state governments, and NRCS leverage funds and services and allow many projects to move quickly through the planning and implementation stages.

- **Technical capacity.** NRCS does not have technical staff capacity to respond to all requests for watershed rehabilitation assistance from project sponsors. Private consultants were hired to provide additional technical capacity to conduct assessments of the existing conditions of dams, provide topographic surveys and mapping, geologic investigations, as well as detailed planning and design services. Some sponsors have used either their own professional staff or acquired technical services as part of their “in-kind” contribution to meet their 35 percent cost-share requirement.
- **Financial assistance.** The watershed rehabilitation authorization requires local sponsors to provide 35 percent of the total project cost. Sponsors used many innovative means to obtain the funds necessary to address the rehabilitation of the aging dams that were threatening their local communities. Some sponsors used the sale of bonds dedicated to dam safety and rehabilitation, levied taxes on beneficiaries, obtained grants, used state appropriations, sought voluntary land rights from private landowners, and provided in-kind services using existing staff.

Selected Example of Recent Progress

Project Status and Benefits. By September 30, 2007, the rehabilitation of 126 dams was authorized in 18 states. The rehabilitation of 64 dams has been completed. The remaining 62 authorized rehabilitation projects are being implemented subject to funding priorities. The following table summarizes the benefits provided by the 64 completed projects:

Average annual floodwater damage reduction benefits (\$):	\$3,804,502
Average annual non-floodwater damage reduction benefits (\$):	\$2,045,099
People with reduced risk downstream from the dams (No.):	9,242
People who benefit from project action (No.):	90,976
Homes and businesses benefiting from project action (No.):	5,479
Farms and ranches benefiting from project action (No.):	300
Bridges benefiting from project action (No.):	140

Virginia: Augusta County. Augusta County, Virginia's second largest agricultural county, is nestled in the foothills of the Blue Ridge Mountains. Sixteen flood control dams protect residents from the threat of serious flooding. When the state dam safety agency notified the county they had to upgrade eight dams to meet state dam safety regulations, the County turned to NRCS for technical and financial help.

Federal, State, and local partners joined together to rehabilitate the first dam in FY 2007. South River Dam #23 protects 72 homes, three businesses, 13 roads and three bridges. If the dam were to fail, it would jeopardize the lives of 360 residents and an infrastructure valued at \$2.5 million. Rehabilitating the dam has greatly reduced the threat to loss of life, and secured access to critical transportation routes for medical and emergency services for local residents. In addition, the dam rehabilitation project helps protect water quality downstream and some valuable wetlands.

The total cost of the dam rehabilitation was \$1.4 million. Funding came from multiple sources including the City of Waynesboro, Augusta County, the Virginia Department of Conservation and Recreation, and NRCS. Augusta County administered the construction contract. The Headwaters Soil & Water Conservation District facilitated public meetings, collected data and provided staff assistance. NRCS engineers and inspectors provided the on-site engineering assistance and inspections. When the County's engineer, liaison to the project, was deployed to Iraq, NRCS employees were able to work directly with Augusta County's contracting department and the project was constructed without any problems or delays.

This project demonstrates what can be accomplished when there is a high level of cooperation from partners and federal funds to leverage local resources. As a result of this project, residents are now protected from the threat of devastating floods for another 50 years. Without NRCS' expertise and the federal share of funds, many local governments would not be able to carry out vital dam rehabilitation projects needed to assure public safety.

New Mexico: Piedra Liza Dam. The Piedra Liza Dam was built in the late 1950s to protect both agricultural land and urban areas after a devastating flood in 1949 destroyed a 100-year-old convent in Bernalillo, New Mexico just north of Albuquerque. Since the dam was constructed, Sandoval County has increased almost seven-fold in population. More than 1,700 people live within the floodplain downstream of the dam and would have been adversely affected by removal or failure of the dam. Over the years the dam has been well maintained by the local sponsors, the Coronado Soil & Water Conservation District and Town of Bernalillo. Deficiencies in the existing dam included outdated unsafe components.

In 2005, the local sponsors, including Sandoval County, applied for cost-share assistance from NRCS to rehabilitate their dam. Improvements to the Piedra Liza Dam were planned in 2005 under the authority of the Watershed Protection and Flood Prevention Act, Public Law 83-566, as amended. Construction of the rehabilitation project for the Piedra Liza took place in the spring and summer of 2007. The project corrected all of the deficiencies of the existing structure, and helps assure the dam will continue to provide flood protection for downstream users for another 100 years. The Piedra Liza project is an excellent example of how an existing structure can be brought up to modern-day standards through partnerships with local, State and Federal governments, to protect New Mexicans and their natural resources from floods the state's renown cloudbursts can cause.

Georgia: Yellow River Watershed. The Yellow River Watershed Flood Control Dam No. 17 is located approximately 30 miles northeast of Atlanta, Georgia. The dam is part of a 92 acre facility owned and operated by the Gwinnett County Department of Parks and Recreation.

Gwinnett County, Georgia, in suburban Atlanta, has been one of the fastest growing metropolitan areas over the past 20 years. The county's population was approximately 44,000 residents when most of the 14 NRCS assisted floodwater retarding structures were built in the 1960's. Today, Gwinnett County's population is estimated at 700,794. As a result of this rapid development, the flood control dam, which was originally constructed to protect rural pasture and farmland, now protects recently constructed subdivisions, apartment complexes, office parks, retail businesses, and a high school located downstream of the dam.

The flood control dam consists of an earthen embankment dam approximately 30 feet high and 900 feet long. Studies of the Y-17 structure determined that the existing 200 feet wide vegetated earthen spillway was inadequate for the design flows. An alternatives assessment determined that the most cost effective solution was to armor the entire downstream slope and abutments of the dam with roller compacted concrete (RCC). The RCC forms a spillway approximately 550 feet wide that overtops the dam and eliminated the need for the original earthen auxiliary spillway.

The total project cost was \$2.1 million. Approximately 65 percent of the funding for the project was provided by the Watershed Rehabilitation Program.

PART Assessment. During 2004, a single Program Assessment Rating Tool (PART) assessment was conducted on three NRCS watershed programs (Watershed Surveys and Planning, Watershed Protection and Flood Prevention, and Watershed Rehabilitation Program) and resulted in a rating of "Adequate

To improve the performance of these watershed programs under PART, NRCS is taking the following action:

- Refining the new annual performance measures it has developed.
- Establishing baselines for the agency's newly developed efficiency measures.

NATURAL RESOURCES CONSERVATION SERVICE
Resource Conservation and Development

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[Resource Conservation and Development]

[For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1011; 76 Stat. 607); the Act of April 27, 1935 (16 U.S.C. 590a-f); and subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), \$51,088,000, to remain available until expended: Provided, That not to exceed \$3,073,000 shall be available for national headquarters activities.]

The change in language proposes deletion of funding for the program.

NATURAL RESOURCES CONSERVATION SERVICE
Resource Conservation and Development

Appropriations Act, 2008.....	\$51,088,000
Budget Estimate, 2009	--
Decrease in Appropriations	<u>-51,088,000</u>

Adjustments in 2008:

Appropriations Act, 2008	\$51,088,000
Rescission under P.L. 110-161 ^{a/}	<u>-358,000</u>
Adjusted Base for 2008	\$50,730,000
Budget Estimate 2009	--
Decrease over adjusted 2008	<u>-50,730,000</u>

^{a/} The amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

Summary of Increases And Decreases
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>2008</u> <u>Estimated</u>	<u>Pay Costs</u>	<u>Other</u> <u>Changes</u>	<u>2009</u> <u>Estimated</u>
Resource Conservation and Development:				
1. Technical Assistance	\$50,730,000	--	-\$50,730,000	--
2. Financial Assistance	--	--	--	--
Total Available.....	<u>50,730,000</u>	<u>--</u>	<u>-50,730,000</u>	<u>--</u>

Project Statement
(On basis of appropriation)

<u>Program</u>	<u>2007 Actual</u> :	<u>2008 Estimated:</u>	<u>Increase</u> :	<u>2009 Estimated</u>
	: Staff:	: Staff:	or :	: Staff
	Amount :Years:	Amount : Years:	Decrease :	Amount :Years
Resource Conservation	:	:	:	:
and Development:	:	:	:	:
1. Technical Assistance....	\$51,088,000:	453:\$50,730,000:	437: -\$50,730,000(1):	--: --
2. Financial Assistance	--: --:	--: --:	--: :	--: --
3. Loan Services	--: --:	--: --:	--: :	--: --
Total, Available or	:	:	:	:
Estimate.....	51,088,000:	453: 50,730,000:	437: -50,730,000 :	--: --
Rescission	--: --:	+358,000:	:	:
Total Appropriation	<u>51,088,000:</u>	<u>--: 51,088,000:</u>	<u>:</u>	<u>--: --</u>

Project Statement
(On basis of available funds)

Program	2007 Actual :		2008 Estimated:		Increase or: Decrease	2009 Estimated	
	Amount	: Staff: :Years:	Amount	: Staff: :Years:		Amount	: Staff :Years
Resource Conservation and Development:	:	:	:	:	:	:	:
1. Technical Assistance ...	\$52,302,079:	453:	\$52,266,498:	437:	-\$52,266,498:	--:	--
2. Financial Assistance	--:	--:	--:	--:	--:	--:	--
Total, Direct Obligations..	52,302,079:	453:	52,266,498:	437:	-52,266,498:	:	:
Unobligated balance brought forward	(-1,307,265)	--:	(-1,536,498)	--:	(+1,536,498)	--:	--
Prior Year Recoveries	(-1,443,312)	--:	--:	--:	--:	--:	--
Unobligated balance carried forward	(+1,536,498)	--:	--:	--:	--:	--:	--
Adjusted Appropriation ...	(51,088,000)	--:	(50,730,000)	--:	(-50,730,000)	--:	--
Reimbursable Obligations:	:	:	:	:	:	:	:
(a) Technical Assist	120,302:	1:	94,200:	1:	-94,200:	--:	--
(b) Financial Assist	:	--:	505,800:	--:	-505,800:	--:	--
Reimbursable Oblig	120,302:	1:	600,000:	1:	-600,000:	--:	--
Obligational Authority	<u>52,422,381:</u>	<u>454:</u>	<u>52,866,498:</u>	<u>438:</u>	<u>-52,866,498:</u>	<u>--:</u>	<u>--</u>

Justification of Increases and Decreases

- (1) A decrease of \$50,730,000 for Resource Conservation and Development (\$50,730,000 available in 2008):
- (a) A decrease of \$50,730,000 and 437 staff years for the Resource Conservation and Development program activities.

The fiscal year 2009 budget proposes to terminate funding for the Resource Conservation & Development (RC&D) program. RC&D areas have received Federal financial support for at least 20 years. At this point, most of these communities should have the capacity to identify, plan, and address their identified priorities. In addition, a Program Assessment Rating Tool (PART) evaluation determined that the program is duplicative. The PART concluded that the program duplicates other similar resource conservation planning, rural economic development, and community programs provided by other USDA agencies (such as the Forest Service and Rural Development) and other Federal departments (such as the Department of Commerce's Economic Development Administration).

Main Workload Factors

	2007 Actual	2008 Estimate	2009 Estimate
<u>Status of Designated RC&D Areas:</u>			
Areas funded at start of year.....	375	375	--
New areas funded in year.....	--	--	--
Total Areas funded end of year.....	375	375	--
Applications on hand.....	(37)	(38)	--

RC&D Project Activity:

Project Plans:

Approved	During year	4,278	4,000	--
	Cumulative.....	87,339	91,339	91,339
Ongoing	During year	6,735	6,300	--
Completed	During year	4,442	4,200	--
	Cumulative.....	77,670	81,870	81,870

Input of Resources to Projects (\$ in 1,000's):

(Resources provided for accomplishing projects. Includes direct technical and financial assistance and value of donated materials attributable to a project.)

-- RC&D resources.....	During year.....	--	--	--
-- Other Federal.....	During year.....	\$56,439	\$56,000	--
-- State government.....	During year.....	71,609	70,000	--
-- Local government.....	During year.....	56,569	56,000	--
-- Non-government.....	During year.....	198,049	150,000	--

Rural Development Loans:

Item	2007 Actual		2008 Estimated		2009 Estimated	
	No.	Amount	No.	Amount	No.	Amount
1. Loans obligated during year.....	--	--	--	--	--	--
2. Borrowers outstanding.....	10	\$401,000	6	\$224,000	--	--
3. Loans cumulative.....	292	29,484,709	292	29,484,709	292	29,484,709

NATURAL RESOURCES CONSERVATION SERVICE
Resource Conservation and Development

Geographic Breakdown of Obligations And Staff Years
2007 Actual and Estimated 2008 and 2009

	2007		2008		2009	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
Alabama	\$1,106,456	9	\$1,105,464	9	--	--
Alaska.....	943,682	7	942,836	7	--	--
Arizona.....	772,299	7	771,607	7	--	--
Arkansas.....	901,699	8	900,891	8	--	--
California	1,476,539	12	1,475,215	11	--	--
Colorado.....	942,084	8	941,239	8	--	--
Connecticut	287,926	2	287,668	2	--	--
Delaware	145,529	1	145,399	1	--	--
Florida.....	1,010,996	7	1,010,090	7	--	--
Georgia.....	1,268,520	9	1,267,383	9	--	--
Hawaii	584,338	5	583,814	5	--	--
Idaho.....	1,065,694	12	1,064,738	11	--	--
Illinois	1,173,407	13	1,172,355	12	--	--
Indiana.....	1,031,607	11	1,030,682	11	--	--
Iowa.....	1,863,583	16	1,861,912	16	--	--
Kansas	1,052,840	10	1,051,897	9	--	--
Kentucky	1,654,359	18	1,652,876	17	--	--
Louisiana	1,021,130	7	1,020,215	7	--	--
Maine	648,517	6	647,935	6	--	--
Maryland.....	424,453	6	424,073	5	--	--
Massachusetts.....	422,574	4	422,195	4	--	--
Michigan	888,374	7	887,578	7	--	--
Minnesota.....	1,042,787	11	1,041,853	11	--	--
Mississippi	993,583	11	992,692	11	--	--
Missouri	977,179	12	976,303	11	--	--
Montana	1,031,399	9	1,030,474	8	--	--
Nebraska.....	1,403,810	14	1,402,551	13	--	--
Nevada	418,535	4	418,160	4	--	--
New Hampshire.....	305,904	3	305,630	3	--	--
New Jersey	286,035	3	285,779	3	--	--
New Mexico.....	944,972	10	944,125	10	--	--
New York.....	988,388	11	987,502	11	--	--
North Carolina.....	1,093,299	11	1,092,319	11	--	--
North Dakota.....	960,553	8	959,692	8	--	--
Ohio.....	1,051,484	9	1,050,542	9	--	--
Oklahoma.....	1,098,576	10	1,097,591	9	--	--
Oregon.....	707,578	5	706,944	5	--	--

	2007		2008		2009	
	STAFF		STAFF		STAFF	
	AMOUNT	YEARS	AMOUNT	YEARS	AMOUNT	YEARS
Pacific Basin.....	229,946	2	229,740	2	--	--
Pennsylvania	1,182,938	9	1,181,877	9	--	--
Puerto Rico.....	358,550	4	358,228	4	--	--
Rhode Island.....	139,425	1	139,300	1	--	--
South Carolina.....	879,343	10	878,555	9	--	--
South Dakota	878,439	9	877,651	8	--	--
Tennessee	1,167,819	13	1,166,772	12	--	--
Texas	2,607,860	20	2,605,521	21	--	--
Utah.....	885,066	8	884,273	8	--	--
Vermont	276,586	3	276,338	3	--	--
Virginia	869,969	10	869,189	10	--	--
Washington	954,660	8	953,804	8	--	--
West Virginia	717,896	9	717,252	8	--	--
Wisconsin.....	894,149	7	893,348	7	--	--
Wyoming.....	717,214	6	716,571	5	--	--
National Hdqtr.....	4,986,725	13	4,993,560	12	--	--
National Centers.....	564,549	5	564,043	4	--	--
Nat. Tech. Sup. Cent.	257	--	257	--	--	--
Forest Service.....	--	--	--	--	--	--
Undistributed.....	--	--	--	--	--	--
Total, Available/Est.....	52,302,079	453	52,266,498	437	--	--

NATURAL RESOURCES CONSERVATION SERVICE
Resource Conservation And Development

Classification By Objects
2007 Actual and Estimated 2008 and 2009

Personnel Compensation:	<u>2007</u>	<u>2008</u>	<u>2009</u>
Washington, D.C.	\$1,608,128	\$1,578,200	--
Field.....	<u>30,107,872</u>	<u>29,985,800</u>	<u> --</u>
11 Total personnel compensation	31,716,000	31,564,000	--
12 Personnel benefits	8,306,000	8,266,000	--
13 Benefits for former personnel	<u> --</u>	<u> --</u>	<u> --</u>
Total pers. comp. & benefits.....	<u>40,022,000</u>	<u>39,830,000</u>	<u> --</u>
Other Objects:			
21 Travel.....	776,000	767,000	--
22 Transportation of things.....	166,000	164,000	--
23.2 Rental payments to others.....	1,569,000	1,551,000	--
23.3 Communications, utilities, and miscellaneous charges.....	1,106,000	1,094,000	--
24 Printing and reproduction.....	38,000	38,000	--
25.2 Other services	7,129,079	7,343,498	--
26 Supplies and materials	913,000	903,000	--
31 Equipment.....	576,000	569,000	--
42 Insurance and loans.....	5,000	5,000	--
43 Interest and dividends	<u>2,000</u>	<u>2,000</u>	<u> --</u>
Total other objects.....	<u>12,280,079</u>	<u>12,436,498</u>	<u> --</u>
Total, direct obligations.....	<u>52,302,079</u>	<u>52,266,498</u>	<u> --</u>

**NATURAL RESOURCES CONSERVATION SERVICE
RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. The Resource Conservation and Development (RC&D) Program was developed under the Soil Conservation and Domestic Allotment Act, (16 U.S.C. 590a-590f), the Bankhead-Jones Farm Tenant Act, (16 U.S.C. 1010 and 1011), and the Food and Agriculture Act of 1962, and is authorized under subtitle H, title XV of the Agriculture and Food Act of 1981, (16 U.S.C. 3451-3461), as amended. The Food Security and Rural Investment Act of 2002 (2002 Act) permanently authorized the program. The Natural Resources Conservation Service (NRCS) administers the program. In 1981, sections 1528-1538 of the Agriculture and Food Act authorized a program to encourage and improve the capability of State and local units of government and nonprofit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. Through the program, RC&D areas establish or improve coordination systems in rural communities and build rural community leadership skills to effectively use Federal, State, and local programs for the communities' benefit. The 2002 Act further strengthened the relationship between the Department of Agriculture (USDA) and the RC&D areas.

The NRCS provides program administration and assistance to RC&D areas through volunteer non-profit RC&D Councils. Other USDA agencies with conservation or development responsibilities are involved in the development of program policy and guidance and are members of the USDA RC&D Policy Advisory Board and Working Group. These agencies provide technical and limited financial assistance to RC&D Councils. Councils also obtain the assistance from other local, State, and Federal agencies, private organizations, and foundations to carry out their specific projects.

The RC&D program blends natural resource use and conservation with local economic development. RC&D Councils and their sponsors initiate and lead the planning and implementation of their locally developed RC&D area plans, in association with State, local, and Federal governments, and non-profit organizations. Program objectives address improving the quality of life, including social, economic and environmental concerns; continuing wise use of natural resources; and strengthening the local citizens' ability to use the assistance available through USDA and other Federal agency partnerships.

Geographic Scope. The Secretary has designated 375 RC&D areas that serve 2,693 counties in every state, the Caribbean, and the Pacific Basin. Designated areas continue to serve over 85 percent of U.S. counties and more than 77 percent of the U.S. population. Another 38 applicant areas covering 231 additional counties have applied for the Secretary's designation. The 1990 Food, Agriculture, Conservation and Trade Act limited assistance to not more than 450 active designated areas. Since FY 2003, USDA designated RC&D areas have remained at 375; there are 38 applications.

RC&D Area and Council Operations. A RC&D area is a locally defined multi-county area, sponsored and directed by a RC&D Council that carries out the program encouraging natural resource conservation and utilization, accelerated economic development, and/or improvement of social conditions where needed to foster a sound local economy. The Council consists of sponsors from the public and private sector that represent a diverse cross-section of community interests. Sponsors include county and city governments, soil and water conservation districts, sub-state districts, Tribal governments, and other interested private organizations in the area. RC&D epitomizes grassroots involvement and decision-making. From public meetings to identify community concerns, needs, and problems, the Council develops an area plan that details the goals, objectives, and action items needed to address the local communities' priorities and concerns. The Council then collects data about identified problems, develops alternatives, and recommends solutions. Implementation of an action item may include one step or a full range of steps, such as problem identification, development of alternatives, plan development, and funding.

RC&D projects focus on eight broad areas:

- Resource base protection projects for soil erosion control, noxious plant and pest control, streambank improvement, preservation of prime land, and mined land reclamation; natural resource studies; energy conservation and alternative sources of energy such as biomass.
- Fish and wildlife projects for the protection, improvement, or development of fish and wildlife habitat.
- Waste management and utilization projects for the efficient and environmentally sound disposal of animal waste; development or improvement of a landfill; waste collection; solid waste disposal; composting and recycling of glass, metals, paper, wood, and furniture.
- Community improvement projects that improve community infrastructure including studies on zoning, facilities or services needed, and project implementation. Projects include constructing and improving public trails; community centers and other old community buildings; constructing, improving or repairing subsidized housing; improving roads and parks; and, installing dry fire hydrants.
- Forestry projects improve forested areas through education on safety or harvesting techniques; developing or expanding forest related industries; developing wood waste energy sources; developing or improving value added forestry related products; studies such as forest inventories, species, or forest products; and, improving rural road infrastructure with timber bridges.
- Economic development projects include marketing and producer surveys or feasibility studies; assisting with grants, loans, or other financing; assisting in the formation or expansion of agriculture or natural resource related businesses, or other businesses involved with value-added products. Projects can include improvement of agricultural production. Marketing and merchandising projects result in cooperatives or associations; business or marketing plans; and advertising and promotional materials.
- Water projects improve surface and groundwater quality and quantity. Many projects deal with pollution control and dispersing water. Projects include watershed management; construction or rehabilitation of irrigation, flood control systems; wastewater treatment; and, efficient use of aquifers.
- Recreation and tourism projects include feasibility studies and the creation or improvement of water-based recreational areas for swimming, boating, and canoeing, and boat launch sites; establishment or improvement of non water-based recreational areas such golf courses, rodeo arenas, trails, or ball parks; historic site preservation; and, establishment or upgrade of a tourist attraction.

NRCS Program Support. NRCS assists the Council through an RC&D Coordinator. The RC&D Coordinator facilitates the development and implementation of an individualized and locally determined program (i.e., area plan) with the Council and the local people. NRCS and other USDA agencies provide planning and technical assistance for implementing the area plan. RC&D activities are broader than those created from USDA assistance alone. The Coordinator is the link between the RC&D Council, its other partners, and the USDA. The goal is Council that has the capacity to build effective public/private partnerships that result in strong rural community leadership and accomplishments. Other Federal agencies provide assistance to RC&D councils within their existing authorities and programs as needed. State and local units of government also participate, as well as non-profits and private businesses.

Selected Examples of Recent Progress

Overview of FY 2007 Progress. RC&D Program management and information system indicators provide several measures of success. Reporting areas have indicated that Councils and their partners have helped to create 855 new businesses, expand 1,503 businesses, retain 2,330 businesses, and assist 802 businesses financially with funds totaling \$13.6 million. In addition, Councils assisted in the formation of 113 cooperatives. An estimated 6,762 jobs have been created and 3,961 jobs retained through area projects, nationally. Councils have obtained over \$382.7 million in external grant funds in FY 2007.

RC&D Councils assisted 795 farm or ranch operations with agri-tourism activities and 795 farms or ranches with direct marketing from the field to the consumer via Community Supported Agriculture groups (CSAs), restaurants, commercial stores, or public access farmers markets.

Efforts to improve natural resources have resulted in the improvement of an estimated 1.64 million acres of wildlife habitat, 370,463 acres of lakes and other water bodies, and 5,265 miles of streams. RC&D

Councils assisted over 2,050 animal agricultural operations with water quality projects; assisted with the construction or rehabilitation of 338 flood control structures; and preserved or protected over 235,500 acres of agricultural land. RC&D Councils in 20 States implemented renewable energy projects.

In FY 2007, RC&D Councils held over 4,600 workshops, tours and seminars nationwide on agriculture, aquaculture, forestry and wildlife; and over 5,300 training sessions on leadership development, grant writing, business development, non-profit management and environmental education. These educational projects have helped nearly 837,00 people develop new skills. More than 900 natural resource related school curriculum and programs were created. RC&D projects have helped over 3.5 million economically or socially disadvantaged people. Councils assisted 412 Tribal Nations, RC&D Councils, through implementation of projects, served over 22 million citizens nationwide.

More than 4,400 projects that focus on the goals in RC&D area plans were completed in FY 2007. More than 6,700 projects will continue in FY 2007. Since 1964, RC&Ds have completed over 87,300 projects. More information on the RC&D program and linkages to individual RC&D Council homepages can be found on the NRCS RC&D homepage at <http://www.nrcs.usda.gov/programs/rcd/>.

Iowa: Farmers Markets. The Golden Hills Resource Conservation and Development Council obtained over \$8,000 in grants to establish and promote the local Riverside Farmers Market, the only rural market in Pottawattamie County, through advertising to consumers, farmer recruitment and training and educational events linking fresh food with community health and wellness

Alabama: Farm Energy Savings. Alabama Mountains, Rivers and Valleys RC&D provided a pilot program providing energy audits for 6 area farms. The six farms realized a potential energy savings of over 250,000 kilowatt-hours of electricity and over 34,000 gallons of propane per year, which equates to approximately \$70,000 in annual cost savings for these producers. The audits also recognized the potential to increase production in poultry houses, leading to the potential of over \$55,000 in additional income per year.

PART Assessment. In FY 2006, a Program Assessment Rating Tool (PART) reassessment rated the RC&D program "Adequate," an improvement from the FY 2004 rating of "Results Not Demonstrated." Since FY 2004, NRCS has refined long-term performance measures, developed baseline data, established an efficiency index, and implemented recommendations from a nationwide review of the RC&D program.

As a result of the FY 2006 reassessment, NRCS is improving the program under PART by taking the following action:

- Improving the agency's ability to track and report program performance.
- Developing and implementing a five-year comprehensive budget and performance management strategy aligned with NRCS's strategic plan.
- Establishing national RC&D program priorities to maximize program benefits.

NATURAL RESOURCES CONSERVATION SERVICE
Healthy Forests Reserve Program

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[Healthy Forests Reserve Program]

[For necessary expenses to carry out the Healthy Forests Reserve Program authorized under title V of Public Law 108-148 (16 U.S.C. 6571-6578), \$2,000,000, to remain available until expended.]

The change in language proposes deletion of funding for the program.

NATURAL RESOURCES CONSERVATION SERVICE
Healthy Forests Reserve Program

Estimate, 2008.....		\$2,000,000
Budget Estimate, 2009		<u> --</u>
Decrease in Appropriations		<u>-2,000,000</u>
Adjustments in 2008:		
Appropriations Act, 2008	\$2,000,000	
Rescission under P.L. 110-161 ^{a/}	<u> -14,000</u>	
Adjusted Base for 2008		\$1,986,000
Budget Estimate 2009		<u> --</u>
Decrease over adjusted 2008		<u>-1,986,000</u>

a/ The amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

Summary of Increases and Decreases
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>2008</u>	<u>Pay Costs</u>	<u>Program</u>	<u>2009</u>
	<u>Estimated</u>		<u>Changes</u>	<u>Estimated</u>
Healthy Forests Reserve Program	<u>\$1,986,000</u>	<u> --</u>	<u>-\$1,986,000</u>	<u> --</u>

Project Statement
(On basis of appropriation)

<u>Program</u>	<u>2007 Actual</u>	<u>2008 Estimated</u>	<u>Increase</u>	<u>2009 Estimated</u>
	<u>: Staff:</u>	<u>: Staff:</u>	<u>or</u>	<u>: Staff</u>
	<u>Amount :Years:</u>	<u>Amount :Years:</u>	<u>Decrease</u>	<u>Amount :Years</u>
Healthy Forests Reserve Program:	:	:	:	:
Technical Assistance	\$127,000: 1:	\$151,000: 1:	-\$151,000:	--: --
Financial Assistance	2,349,000: --:	1,835,000: --:	-1,835,000:	--: --
Total Available or Est.	2,476,000: 1:	1,986,000: 1:	-1,986,000 (1):	--: --
Rescission.....	--: --:	+14,000:		
Total, Appropriation.....	<u>2,476,000: 1:</u>	<u>2,000,000:</u>		

**Project Statement
(On basis of available funds)**

Program	2007 Actual		2008 Estimated		Increase or Decrease	2009 Estimated	
	Amount	: Staff: : Years:	Amount	: Staff: : Years:		Amount	: Staff : Years
Healthy Forests Reserve Program:							
Technical Assistance	\$124,195:	1:	\$151,000:	1:	-\$151,000:	--:	--
Financial Assistance	2,059,444:	--:	1,835,000:	--:	-1,835,000:	--:	--
Total Direct Obligations...	2,183,639:	1:	1,986,000:	1:	-1,986,000:	--:	--
Prior Year Recoveries	--:	--:	--:	--:	--:	--:	--
Unobligated balance	:	:	:	:	:	:	:
Lapsing	(+292,361):	--:	--:	--:	--:	--:	--
Adjusted Appropriation....	(2,476,000):	--:	(1,986,000):	--:	(-1,986,000):	--:	--
Reimbursable Oblig.....	--:	--:	--:	--:	--:	--:	--
Obligational Authority	2,183,639:	1:	1,986,000:	1:	-1,986,000:	--:	--

Justification of Increases and Decreases

(1) A net decrease of \$1,986,000 for the Healthy Forests Reserve Program (\$1,986,000 available in 2008):

(a) A decrease of \$1,986,000 for Healthy Forests Reserve Program activities.

This decrease will not affect the Agency's efforts to restore, enhance and protect forest ecosystems. In its Farm Bill proposal, the Administration proposed consolidating this program as part of a Combined Private Lands Protection Program.

**Geographic Breakdown of Obligations and Staff Years
2007 Actual and Estimated 2008 and 2009**

	2007		2008		2009	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Arkansas	\$985,831	1	\$815,149	1	--	--
Maine	269,605	--	266,776	--	--	--
Mississippi	947,558	--	904,075	--	--	--
National Hdqtr.....	-19,355	--	--	--	--	--
Total Obligations/Est.....	2,183,639	1	1,986,000	1	--	--

**NATURAL RESOURCES CONSERVATION SERVICE
HEALTHY FORESTS RESERVE PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. Title V of the Healthy Forests Restoration Act of 2003 (Public Law 108-148) authorized the establishment of the Healthy Forests Reserve Program (HFRP). The purpose of this program is to assist landowners in restoring, enhancing and protecting forest ecosystems to 1) promote the recovery of threatened and endangered species, 2) improve biodiversity, and 3) enhance carbon sequestration. HFRP supports the NRCS Mission Goal of Healthy Plant and Animal Communities.

The Chief of NRCS provides national leadership for the implementation of this voluntary program. At the state level, the NRCS State Conservationist determines how best to deliver HFRP and implement national policies in an efficient manner based on the national priorities identified in each sign-up announcement.

Enrollment Options. There are three HFRP enrollment options:

- 10-year cost share agreement for which the landowner may receive 50 percent of the cost of the approved conservation practices;
- 30-year easement for which the landowner may receive 75 percent of the easement value of the enrolled land plus 75 percent of the cost of the approved conservation practices; or
- An easement of not more than 99 years for which landowners may receive 100 percent of the easement value of the enrolled land plus 100 percent of the average cost of the approved conservation practices.

Eligibility and Restoration Plans. Only privately held land is eligible for enrollment into HFRP. Additional eligibility requires that the private land will restore, enhance, or measurably increase the likelihood of recovery of a threatened or endangered species or candidates for the Federal or State threatened or endangered species list, and must improve biological diversity or increase carbon sequestration. Land enrolled in the HFRP must have a restoration plan that includes practices necessary to restore and enhance habitat for species listed as threatened or endangered or species that are candidates for the threatened or endangered species list. Technical assistance will be provided by USDA to assist owners in complying with the terms of restoration plans under the HFRP.

Landowner protections similar to "Safe Harbor" will be made available to landowners enrolled in the HFRP who agree, for a specified period, to protect, restore, or enhance their land for threatened or endangered species habitat. In exchange, they avoid future regulatory restrictions on the use of that land protected under the Endangered Species Act.

An interim final rule for the HFRP with a request for public comments was published in the Federal Register on May 17, 2006. All comments received during the 90-day public comment period will be considered in developing a final rule.

Technical Assistance. NRCS, in coordination with the U.S. Fish and Wildlife Service, develops a healthy forests management conservation plan with the landowner for the acres determined eligible for HFRP. The healthy forests conservation plan integrates compatible silvicultural practices and habitat considerations to protect, restore and enhance forest ecosystems for the recovery of threatened and endangered species and candidate species. NRCS continues to provide assistance to the participant after the project is enrolled. This assistance may be in the form of review of restoration measures, guidance on management activities, and basic biological advice to achieve optimum results, considering all forestland resources.

Examples of Recent Progress

Nineteen Applications Approved in Continuation of Three-State Pilot Project. In FY 2007, NRCS received \$2.470 million under the HFRP and implemented projects in Arkansas, Maine, and Mississippi. Nineteen landowners were approved for funding under 10-year restoration agreements and 30- and 99-year easements. The approved applications covered over 197,500 acres and represents \$2.1 million in financial

obligation. During the signup, the three states accepted 53 applications covering over 202,000 acres at an approximate value of \$6.1 million.

Applications were prioritized according to ranking criteria that promote the recovery of habitats for the endangered red-cockaded woodpecker in the Lower Ouachita River Flatwood regions of Arkansas, the Canada Lynx in the northern boreal forests of Maine, and the gopher tortoise and black pine snake in the longleaf pine ecosystem along the gulf coast of Mississippi.

Eleven Applications Approved in Three-State Pilot Project. In FY 2006, NRCS received \$2.475 million under HFRP and implemented pilot projects in Arkansas, Maine, and Mississippi. Eleven landowners were approved for funding under 30- and 99-year easements and 10-year restoration agreements. The approved applications covered over 495,600 acres and represent \$2.3 million in financial obligations. During the signup, the three states accepted 71 applications covering about 510,800 acres at an approximate value of \$13.8 million.

Applications were prioritized according to ranking criteria that promote the recovery of habitats for the endangered red-cockaded woodpecker in the Lower Ouachita River Flatwood regions of Arkansas, the Canada Lynx in the northern boreal forests of Maine, and the gopher tortoise and black pine snake in the longleaf pine ecosystem along the gulf coast of Mississippi.

Summary	Cumulative
Total Applications Processed	124
Total Applications Approved	30
Total Acres Enrolled	693,124
Total Obligations	\$4,398,195

Restoration Activity	Cumulative
Restoration Agreements Approved	6
Restoration Agreement Acres	689,972
Total Funds Obligated for Restoration Agreements	\$848,892

Easements Activity	Cumulative
Easement Projects Enrolled	24
Easement Acres Enrolled	3,152
Total Fund Obligated for Easement Projects	\$3,549,303

NATURAL RESOURCES CONSERVATION SERVICE
Healthy Forests Reserve Program

Classification By Objects
2007 Actual and Estimated 2008 and 2009

Personnel Compensation:	<u>2007</u>	<u>2008</u>	<u>2009</u>
Washington, D.C.	\$18,530	\$19,040	--
Field.....	<u>90,470</u>	<u>92,960</u>	<u>--</u>
11 Total personnel compensation	109,000	112,000	--
12 Personnel benefits	<u>31,000</u>	<u>32,000</u>	<u>--</u>
Total pers. comp. & benefits.....	<u>140,000</u>	<u>144,000</u>	<u>--</u>
Other Objects:			
21 Travel.....	2,000	2,000	--
23.2 Rental payments to others.....	--	--	--
23.3 Communications, utilities, and miscellaneous charges.....	960	1,000	--
25.2 Other services	-18,321	--	--
26 Supplies and materials	1,000	1,000	--
31 Equipment.....	3,000	3,000	--
32 Land and structures	1,659,000	1,365,000	--
41 Grants.....	<u>396,000</u>	<u>470,000</u>	<u>--</u>
Total other objects.....	<u>2,043,639</u>	<u>1,842,000</u>	<u>--</u>
Total, direct obligations.....	<u><u>2,183,639</u></u>	<u><u>1,986,000</u></u>	<u><u>--</u></u>

NATURAL RESOURCES CONSERVATION SERVICE
Farm Security and Rural Investment Programs

Farm Bill Programs, for 2008.....	\$2,149,000,000
Budget Estimate, 2009	<u>1,897,479,000</u>
Change in Estimate	<u>-251,521,000</u>

Conservation programs included in this account are listed in the project statement below. Funding for these programs will continue from the Commodity Credit Corporation.

Project Statement
(On basis of authorized level)

Project	2007 Actual		2008 Estimated		Increase or Decrease	2009 Estimated	
	Amount	: Staff: : Years:	Amount	: Staff: : Years:		Amount	: Staff: : Years:
Wetlands Reserve Program..	\$247,854,695:	190:	\$455,000,000:	326:	-\$273,521,000:	\$181,479,000:	130
Environmental Quality							
Incentives Program	992,850,973:	2,171:	1,000,000,000:	2,630:	+50,000,000:	1,050,000,000:	2,762
Ground and Surface Water ...	69,729,804:	161:	60,000,000:	139:	--:	60,000,000:	139
Klamath Basin.....	8,284,278:	20:	--:	--:	--:	--:	--
Wildlife Habitat							
Incentives Program	42,457,628:	77:	85,000,000:	154:	-85,000,000:	--:	--
Farm and Ranch Lands							
Protection Program	73,082,551:	24:	97,000,000:	32:	--:	97,000,000:	32
Conservation Security							
Program.....	294,357,690:	200:	381,752,000:	260:	-21,752,000:	360,000,000:	245
Grasslands Reserve Program	12,987,543:	21:	--:	--:	--:	--:	--
Agricultural Management							
Assistance.....	4,558,928:	27:	10,000,000:	20:	-10,000,000:	--:	--
Watershed Rehabilitation							
Program	--:	--:	--:	--:	+65,000,000:	65,000,000:	--
Conservation Reserve							
Program	80,638,026:	807:	60,000,000:	478:	+24,000,000:	84,000,000:	841
Subtotal, Farm Bill							
Conservation Programs	<u>1,826,802,116:</u>	<u>3,698:</u>	<u>2,148,752,000:</u>	<u>4,039:</u>	<u>-251,273,000:</u>	<u>1,897,479,000:</u>	<u>4,149</u>
Total, 2007 Farm Bill							
Proposal a/	--:	--:	463,000,000:	--:	+312,000,000:	775,000,000:	--
Total, Farm Bill							
Conservation Programs ...	<u>1,826,802,116:</u>	<u>3,698:</u>	<u>2,611,752,000:</u>	<u>4,039:</u>	<u>+60,727,000:</u>	<u>2,672,479,000:</u>	<u>4,149</u>

a/ The Administration's 2007 Farm Bill proposal recommends improving and increasing funding to USDA conservation programs to better serve farmers, the environment, and all U.S. citizens. The changes recommended by the Administration would streamline, consolidate, and simplify conservation programs.

Statement of Program

Performance Indicators	Performance Targets		
	FY 2007 Actual	FY 2008 Target	FY 2009 Target
Wetlands Reserve Program			
Wetlands created, restored or enhanced, acres	149,326	100,000	125,000
Environmental Quality Incentives Program			
Land with conservation applied to improve irrigation efficiency, acres	883,033	700,000	725,000
Ground and Surface Water Conservation			
Land with conservation applied to improve irrigation efficiency, acres	359,231	200,000	200,000
Wildlife Habitat Incentives Program			
Acres of non-Federal land managed for the protection and enhancement of habitat for species with declining populations, million acres	0.15	0.20	0.27
Farm and Ranch Lands Protection Program			
Prime, unique and important farmland protected, acres	38,495	30,000	30,000
Conservation Security Program			
Land with conservation applied to improve irrigation efficiency, acres	32,000	30,000	30,000

NATURAL RESOURCES CONSERVATION SERVICE
Farm Bill Programs

SUMMARY OF INCREASES – PROPOSED LEGISLATION

<u>Item of Change</u>	<u>2009</u>		
	<u>Current Law</u>	<u>Program Changes</u>	<u>President's Request</u>
Farm Bill Programs.....	\$1,897,479,000	\$775,000,000	\$2,672,479,000

Explanation of Proposed Legislation:

The Administration's 2007 Farm Bill proposal recommends improving and increasing funding to USDA conservation programs to better serve farmers, the environment, and all U.S. citizens. The changes recommended by the Administration would streamline, consolidate, and simplify conservation programs. The 2009 program level is expected to be established in the new Farm Bill.

NATURAL RESOURCES CONSERVATION SERVICE
 Farm and Security and Rural Investment Programs
 Geographic Breakdown of Obligations
 2007 Actual

	KLAMATH									
	WRP	CRP	EQIP	GSW	BASIN	WHIP	FRPP	CSP	GRP	AMA
ALABAMA.....	\$1,046,531	\$757,853	\$15,407,315	\$721,704	--	\$399,669	\$679,032	\$2,514,262	\$25,503	--
ALASKA.....	2,730	25,410	6,557,827	--	--	2,688,593	440,532	46,176	30,714	--
ARIZONA.....	273,719	--	24,463,408	1,738,902	--	432,648	6,881	420,580	774	--
ARKANSAS.....	3,762,595	1,029,374	20,313,123	3,748,672	--	576,233	5,698	13,719,610	3,081	--
CALIFORNIA.....	10,865,806	240,353	46,956,752	11,479,134	3,732,410	932,366	2,462,628	8,195,752	51,422	--
COLORADO.....	1,467,669	913,278	34,868,919	4,048,074	--	486,119	2,112,600	5,286,718	33,484	--
CONNECTICUT.....	490,278	12,051	6,175,857	--	--	1,674,162	2,925,138	116,716	17,382	76,436
DELAWARE.....	2,089,413	177,803	7,199,197	22,104	--	272,348	3,088,809	1,372,250	48,396	40,274
FLORIDA.....	50,718,537	141,639	24,891,828	1,239,601	--	423,326	1,667,419	362,412	46,880	--
GEORGIA.....	2,198,701	541,238	19,649,973	669,068	--	387,236	929,303	5,212,956	5,863	--
HAWAII.....	137,897	5,888	6,787,083	494,461	--	2,732,429	1,116,321	269,371	734	--
IDAHO.....	261,169	555,024	14,981,651	4,867,002	--	510,553	418,248	13,183,285	49,373	--
ILLINOIS.....	5,834,473	6,083,840	16,216,275	345,144	--	370,035	1,435,222	10,034,632	32,096	--
INDIANA.....	11,792,410	4,902,959	13,846,335	338,191	--	490,022	--	9,242,910	449	--
IOWA.....	16,420,694	6,137,359	26,108,707	554,018	--	407,697	34,491	26,160,685	38,805	--
KANSAS.....	1,389,475	2,969,280	26,624,188	3,683,635	--	574,861	1,330,633	11,618,088	233,440	--
KENTUCKY.....	2,545,487	2,779,622	13,662,554	--	--	661,235	2,959,621	1,082,327	18,730	--
LOUISIANA.....	2,385,096	1,043,790	16,968,416	923,204	--	432,408	6,313	396,321	2,738	--
MAINE.....	677,306	118,507	8,452,768	49,745	--	1,195,032	1,096,554	355,769	18,681	74,884
MARYLAND.....	791,301	1,165,852	8,347,933	--	--	358,841	2,962,057	7,291,373	3,833	382,892
MASSACHUSETTS.....	2,043,629	14,454	5,589,949	--	--	1,488,728	3,961,185	40,708	2,624	104,106
MICHIGAN.....	14,908,986	1,127,078	19,895,205	408,893	--	367,741	1,691,333	8,848,953	15,895	--
MINNESOTA.....	7,420,022	5,733,729	32,046,729	435,952	--	429,713	698,125	9,450,158	20,154	--
MISSISSIPPI.....	2,140,933	1,483,110	17,004,448	2,553,855	--	567,921	--	972,095	53,112	--
MISSOURI.....	21,327,379	3,952,492	24,525,749	848,810	--	862,305	1,256,083	30,301,378	174,596	--
MONTANA.....	2,187,790	1,633,154	27,738,561	2,366,404	--	406,742	935,396	11,452,997	35,406	--
NEBRASKA.....	14,697,479	3,001,618	26,449,715	5,801,763	--	440,623	8,157	14,628,235	1,081	--
NEVADA.....	4,229	--	6,998,936	822,603	--	170,726	1,956,993	553,112	-10	98,832
NEW HAMPSHIRE.....	4,267,017	7,782	5,309,071	--	--	2,979,673	3,339,345	74,583	104,450	73,629
NEW JERSEY.....	862,475	132,350	5,227,163	--	--	1,021,469	4,740,487	257,787	4,081	148,051

	KLAMATH									
	WRP	CRP	EQIP	GSW	BASIN	WHIP	FRPP	CSP	GRP	AMA
NEW MEXICO.....	159,606	386,525	23,358,216	1,055,351	--	252,879	427,452	1,646,519	32,693	--
NEW YORK.....	5,711,814	700,134	15,043,988	--	--	388,322	1,770,851	2,083,369	19,369	675,470
N CAROLINA.....	14,899,731	1,181,033	18,528,439	447,778	--	571,789	1,613,872	1,777,241	52,138	--
N DAKOTA.....	1,067,158	4,310,906	21,822,595	857,751	--	460,935	5,621	8,466,739	67,903	--
OHIO.....	3,818,658	4,074,371	15,779,982	--	--	378,039	2,856,580	17,327,064	112,499	--
OKLAHOMA.....	4,261,441	769,302	28,449,950	601,080	--	753,334	79,491	6,262,910	220,629	--
OREGON.....	2,792,206	728,104	15,736,402	2,301,228	4,042,910	891,490	571,836	25,279,697	2,603	--
PACIFIC BASIN AREA.....	--	--	1,898,085	--	--	275,126	--	59,150	--	--
PENNSYLVANIA.....	1,195,071	3,454,937	13,882,524	--	--	253,034	3,052,089	1,981,327	97,301	519,651
PUERTO RICO.....	--	--	5,303,451	29,985	--	76,652	--	219,129	807	--
RHODE ISLAND.....	29,161	9,048	3,499,949	--	--	3,294,375	2,911,994	42,565	8,767	21,472
S CAROLINA.....	8,667,563	1,227,559	8,776,569	--	--	820,275	1,210,991	3,408,030	17,144	--
S DAKOTA.....	2,657,516	4,615,220	20,579,723	485,258	--	356,804	161	2,688,220	900	--
TENNESSEE.....	1,382,317	1,386,382	13,333,367	--	--	559,803	752,311	1,388,014	27,382	--
TEXAS.....	1,285,931	1,039,282	82,956,870	6,224,421	--	516,685	1,525,605	2,626,109	225,535	--
UTAH.....	280,387	39,429	24,485,861	1,470,799	--	479,440	1,315,082	3,795,933	10,581	164,914
VERMONT.....	122,575	162,909	6,286,976	--	--	1,261,327	3,020,113	76,625	33,809	492,062
VIRGINIA.....	778,176	1,508,944	13,969,762	--	--	471,224	1,090,304	1,372,462	103,273	--
WASHINGTON.....	1,997,799	474,576	18,317,773	2,014,073	--	754,786	1,180,238	6,626,809	35,480	--
WEST VIRGINIA.....	19,754	336,565	10,288,001	--	--	1,112,977	2,248,675	446,107	87,426	532,100
WISCONSIN.....	2,259,260	2,479,784	21,290,746	232,675	--	454,358	1,677,659	5,828,528	3,583	--
WYOMING.....	1,141,704	258,883	15,369,784	2,115,703	--	328,634	741,615	2,240,724	52,964	461,424
NATIONAL HDQTR.....	7,502,059	3,985,532	58,264,994	3,257,307	438,386	2,620,313	694,832	4,427,249	10,700,992	692,730
CENTERS.....	462,243	666,234	3,408,678	418,922	70,573	198,542	62,615	302,219	--	--
NTSC.....	351,339	155,484	2,952,652	56,531	--	185,031	7,964	522,752	--	--
FY 2007 Total										
Obligations.....	\$247,854,695	\$80,638,026	\$992,850,973	\$69,729,804	\$8,284,278	\$42,457,628	\$73,082,551	\$294,357,690	\$12,987,543	\$4,558,928
FY 2008 Total										
Program Level.....	\$455,000,000	\$60,000,000	\$1,000,000,000	\$60,000,000	--	\$85,000,000	\$97,000,000	\$381,752,000	--	\$10,000,000
FY 2009 Total										
Program Level.....	\$181,479,000	\$84,000,000	\$1,050,000,000	\$60,000,000	--	--	\$97,000,000	\$360,000,000	--	--

**COMMODITY CREDIT CORPORATION
WETLANDS RESERVE PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. The Wetlands Reserve Program (WRP) was mandated by Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624), the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) ("2002 Farm Bill"), to assist owners in restoring and protecting wetlands. WRP is a program funded by the Commodity Credit Corporation (CCC) and administered by the Natural Resources Conservation Service (NRCS).

WRP is a voluntary program that provides technical and financial assistance to enable eligible landowners to address wetland, wildlife habitat, soil, water, and related natural resource concerns on private lands in an environmentally beneficial and cost-effective manner. WRP supports three Mission Goals in the NRCS Strategic Plan: Clean and Abundant Water, Healthy Plant and Animal Communities, and Clean Air. The program achieves solutions to local community issues related to farms, ranches, rural lands and other areas by establishing easements and long-term agreements on eligible farmlands. This unique program offers landowners an opportunity to establish, at minimal cost, long-term conservation and wildlife habitat enhancement practices and protection.

Program Goal. The goal of WRP is to achieve the greatest wetland functions and values, along with optimum wildlife habitat on every acre enrolled in the program. In WRP, at least 70 percent of the wetland and upland areas will be restored to the original natural condition to the extent practicable; the remaining 30 percent of the project area may be restored to other than natural conditions. For example, instead of restoring a bottomland hardwood site to all trees, a portion of the site could be restored to an emergent marsh condition if the landowner or NRCS wanted to create habitat for certain wildlife species. This flexibility allows NRCS to implement projects that meet landowner objectives and maximize wildlife benefits. WRP focuses on:

- Enrolling marginal lands that have a history of crop failures or low production yields;
- Restoring and protecting wetland values on degraded wetlands;
- Maximizing wildlife benefits;
- Achieving cost-effective restoration with a priority on benefits to migratory birds;
- Protecting and improving water quality; and
- Reducing the impact of flood events.

Program Scope and Eligibility Criteria. The program is available in all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Island, and the Trust Territories of the Pacific Islands on all lands meeting any of the following eligibility criteria:

- Altered, cropped, and grazed wetlands along with upland buffer areas;
- Rangeland and wooded areas where hydrology is degraded but restorable;
- Eligible acres already enrolled in the Conservation Reserve Program;
- Riparian areas linking protected wetlands;
- Natural wetlands that contribute to the value of the easement restoration area; and
- Wetlands restored under a Federal or State cost-share program with an easement or deed restriction with a duration of less than 30 years.

Program Enrollment Options. WRP provides landowners three methods to enroll acreage:

- Permanent easements: Easement duration is in perpetuity. Landowners receive an easement payment after the easement is filed. The payment is the least of the following three values:

1. The appraised fair market value of the property before the easement is placed less the appraised fair market value of the property after the easement is placed;
2. The geographic rate cap; or
3. The landowner offer.

In addition, NRCS pays 100 percent of the eligible restoration costs.

- 30-year easements: Easement duration is 30 years. Landowners receive an easement payment after the easement is filed that is the equivalent of 75 percent of the value for a permanent easement and up to 75 percent of the eligible restoration costs.
- Restoration cost-share agreements: Restoration cost-share agreements are made available to participating landowners as an alternative mechanism to restore wetlands, without requiring an applicant to sell an easement. Agreements are generally for a 10-year period, although longer agreement periods may be required for unique projects that are funded at a higher level. There is no easement payment; however, NRCS pays up to 75 percent of the eligible restoration costs.

For both permanent and 30-year easements, WRP pays for all the overhead costs associated with recording the easement in the local land records office including recording fees, charges for abstracts, surveys, appraisal fees, and title insurance associated with acquiring an easement. These costs are authorized for payment under Section 303 of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970.

Wetlands Reserve Program Special Projects. Special Projects are intended to enhance or accelerate a State's effort in enrolling interested landowners in the Wetlands Reserve Program. This process replaced the WREP (Wetland Reserve Enhancement Program) process that had previously been implemented by NRCS.

Projects were solicited from all States for proposals in three categories. These categories were:

- Category One – Projects that involve a concentrated effort on a large scale area, such as a watershed. Proposals would involve multiple landowners and require some level of partnership contribution.
- Category Two - Projects that involve a single application, but are so large that the funding needed significantly exceeds a State's annual allocation. For example, an application for a project that would require \$1.5 million in a State that may normally get \$500,000 annually for FA.
- Category Three – Projects that would help facilitate implementation of the Department of Defense and NRCS Memorandum of Understanding.

Final approval was granted for six Category One proposals and six Category Two proposals. The projects were selected based on the overall degree of impact to furthering the success of the WRP and meeting the program objectives to restore and protect the wetland functions and values of the enrolled lands while maximizing habitat benefits for migratory birds and other wetland-dependent wildlife. Special consideration was given to projects that specifically addressed threatened and endangered species or impacted small and limited resource producers or tribal owned lands.

These proposals are projected to result in the accelerated enrollment of 17,329 acres into WRP in FY 2007. The Category Two projects will enable several States to significantly increase the exposure of WRP in that State, enhancing future enrollment potential. The Category One projects will allow States to enhance WRP benefits by concentrating on defined geographic areas. The Category One projects approved on the Missouri river in Iowa and Nebraska are on the same stretch of the river and so increase overall landscape impact even more.

Technical Assistance. With input from State wildlife agencies and the U.S. Fish and Wildlife Service (FWS), NRCS develops a preliminary site plan for offered acres initially determined eligible. The plan outlines the wetlands and any adjacent lands that would benefit from restoration in this program. Once the participant accepts an offer, NRCS assists in establishing the required practices for the easement area.

NRCS continues to provide assistance to the landowner after the initial completion of restoration activities. The assistance may be in the form of review of restoration measures, clarification of technical and administrative aspects of easement and agreement management needs, and basic biological and engineering advice on how to achieve optimum results for wetland dependent wildlife.

FY 2007 Contacts and Acres Enrolled.

Type of Project	Contracts Enrolled	Acres Enrolled
Restoration Cost-Share Agreements	123	17,544
30-Year Easements	72	11,290
Permanent Easements	431	65,892
Total	626	94,726

WRP Acreage. NRCS created, restored and enhanced 149,000 acres of wetlands in FY 2007. The average project size for FY 2007 was 152 acres compared to 170 acres in FY 2006. Acreage offered for participation in the WRP varies in size across the country. Acres are the specific controlling factor for WRP. Funding needs are determined by projecting the number of acres by program option (i.e. permanent easements, 30-year easements, cost-share agreements) and the geographic location of the acres to be acquired.

FY 2007 Landowner interest in enrollment types.

	Cost-Share	30-Year	Permanent
Offered Applications	317	266	1,775
Funded Applications	123	72	626

Cumulative Enrollment Data (including FY 2007 and prior years).

Acres enrolled	1,922,480
Acres of easements perfected	1,582,320
Acres with contracted cost-share agreements	174,134
Number of projects	10,187
Number of easement projects	8,985
Number of cost-share agreement projects	1,202

The type of wetlands restored varies from floodplain forest, to prairie potholes, to coastal marshes. Floodplain forest and associated sloughs and small emergent marsh wetlands account for approximately 65 percent of the program's restoration activity. A majority of the enrolled floodplain acres offered into the program occur in areas subject to frequent flooding that were originally drained or cleared for agricultural production.

NRCS continues to improve restoration techniques and knowledge. For example, over 65 percent of all restoration involved hydrology restoration, with or without a vegetative component. Of the acres involving a vegetative component, improved techniques such as natural regeneration were used over 41 percent of the time. This allows for the most natural wetland community possible, providing the greatest benefit to associated wetland dependent species and resulted in NRCS utilizing the most cost effective techniques for complete restoration.

WRP Partnership Activities. In FY 2007, NRCS continued to expand partnership efforts with conservation entities. Ducks Unlimited, numerous State Wildlife Agencies, the FWS, California Waterfowl Association, The Nature Conservancy, Wisconsin Waterfowl Association, and the Mississippi Fish and Wildlife Foundation supplemented NRCS capacity with additional restoration expertise and implementation capability. Other groups contributing technical expertise to the delivery of WRP include the National Association of Conservation Districts, State associations of conservation districts, U.S. Forest Service, local conservation districts and technical service providers.

Selected Examples of Recent Progress

NRCS purchases a 77.6 acre WRP conservation easement from the Nottawaseppi Huron Band of Potawatomi tribe. The WRP easement is adjacent to Pine Creek in Calhoun County, Michigan. Restoration work on the project was completed this year. The site contains 28.5 acres of restored wetland. The tribe has completed a conservation plan for the property that includes tree and shrub plantings, forest stand management, upland wildlife management and wetland restoration and enhancement.

North Carolina Special Project. The Machapungo LLC WRP Special Project is a 2,100 acre tract of land in Hyde County, North Carolina. Enrollment of this tract connects habitat provided by nearby WRP tracts and National Wildlife refuges. Species benefited by the wetland restoration include the Bald Eagle, American Alligator, Red Wolf, neo-tropical song birds and waterfowl. Restoration of the hydrology on this tract will also improve and protect the hydrology of the adjacent WRP sites. The other tracts are hydraulically connected by both surface drainage systems and through groundwater movement. The addition of this tract will bring the restored acres in this area to over 15,000 acres. The restoration of the hydrology on this tract and the adjacent WRP tracts will provide storage of surface waters in times of excessive rain and the moderate pulse of the fresh water reaching primary and secondary nursery areas in nearby estuaries. This storage will reduce adverse impacts on juvenile marine species.

North Carolina Ecosystem Enhancement. The Privateer Farms WRP Easement is on a 3,400 acre tract in Cumberland and Bladen Counties in North Carolina. At one time, a million turkeys a year were produced in 40 turkey houses and 1,000 Boer Goats grazed in the farms fenced pastures. Corn, soybeans, hay and other crops were grown on about 2,000 acres of cropland. Part of the farm, along one of the major streams, has been enrolled in the North Carolina Ecosystem Enhancement Program to mitigate stream and wetland impacts from highway construction. The landowner has enrolled the remaining 3,400 acres in WRP. Planned restoration will compliment the stream restoration work completed by the State of North Carolina and will restore habitat conditions to mimic those which existed before the land was converted to cropland and pasture.

PART Assessment. During 2005, a Program Assessment Rating Tool (PART) assessment rated WRP as "Adequate." The assessment indicated that NRCS targets WRP financial resources to maximize performance measured through factors such as migratory bird corridors and the rate of wetland loss, state-level efficiency (average cost per acre and average time to complete restoration projects), and landowner interest in the program (number and dollar value of unfunded applications). WRP differentiates itself from other Federal programs by offering permanent wetland protection on privately owned lands. The assessment concluded that while the program is effective in strategic planning and program management, shortfalls exist with performance measurement and accountability.

In response to the 2005 findings, the program's PART improvement plan calls for:

- Improving the program's cost effectiveness by achieving technical assistance efficiencies and reducing contract closure and easement restoration timelines,
- Collecting and analyzing cost and performance data to improve program management, and
- Improving the program's ability to prioritize and focus on priority natural resource concerns.

NRCS has taken the following actions as a result of the improvement plan:

- Adopted efficiency measures that encourage shorter easement closing and restoration completion periods,
- Convened a workgroup to streamline technical assistance delivery and other areas of program administration,
- Collected and analyzed cost and performance data to improve program management, and
- Awarded a contract to evaluate the program's allocation formula.

**COMMODITY CREDIT CORPORATION
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. Section 2301 of the Farm Security and Rural Investment Act of 2002 (the 2002 Act) (P. L. 107-171, May 13, 2002) 16 U.S.C. 3839aa re-authorized and amended the Environmental Quality Incentives Program (EQIP) created by the Food Security Act of 1985 (the 1985 Act) as amended by the Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act) (P. L. 104-127, April 4, 1996) (16 U.S.C. 3839aa).

The 1996 Act combined into a single program the functions of the Agricultural Conservation Program (ACP), the Great Plains Conservation Program (GPCP), the Water Quality Incentives Program (WQIP), and the Colorado River Basin Salinity Control Program (CRBSCP). NRCS implements EQIP and the associated financial and performance reporting. The Commodity Credit Corporation (CCC) funds EQIP.

Program Operation. EQIP provides technical and financial assistance to eligible farmers and ranchers to address soil, water, air, and related natural resource concerns on their lands in an environmentally beneficial and cost-effective manner. Overall, the program addresses and solves local conservation issues related to farms, ranches, and rural lands. This is done through landowners and landusers who implement structural and land management practices on eligible lands:

- Structural and vegetative practices primarily involve the establishment, construction, or installation of a site-specific measure to conserve, protect from degradation, or improve soil, water, air, or related natural resources in the most cost-effective manner. Examples of structural practices include animal waste management facilities, terraces, grassed waterways, tailwater pits, livestock water developments, filter strips, critical area planting, permanent wildlife habitat development, tree planting, range seeding, and pasture planting.
- Land management practices are primarily site-specific management techniques and methods to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Land management practices include nutrient management, manure management, integrated pest or crop management, irrigation water management, residue management, stripcropping, contour farming, grazing management, and wildlife habitat management.

Program Objectives. NRCS is charged with carrying out EQIP in a manner that optimizes environmental benefits and provides:

- Flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, air, and related natural resources;
- Assistance to farmers and ranchers in complying with Federal, State, and local environmental regulatory requirements;
- Assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, air, and related natural resources; and
- For the consolidation and simplification of conservation planning and implementation to reduce the administration burden on producers.

Land and Participant Eligibility Requirements. Lands enrolled in EQIP must be privately owned. Eligible lands may include agricultural land (i.e., cropland, rangeland, pasture, private non-industrial forest land and other land on which crops or livestock are produced), including agricultural land that poses a serious threat to soil, water, air, or related resources by reason of soil type, terrain, climatic conditions, topography, flooding, saline characteristics, or other natural resource factors or natural hazards. Publicly owned land is eligible when the land is under private control for the contract period, is included in the participant's operating unit, and when the participant has written authorization from the government

landowner to apply conservation practices. Installation of conservation practices and systems must contribute to an improvement in the identified natural resource concern.

Participation is voluntary. In order to participate, both the land and the person(s) must be eligible. Eligibility requires that applicants must:

- Comply with the highly erodible land and wetland conservation provisions of the Food Security Act of 1985;
- Have control of the land for the life of the proposed contract period; and
- Have an interest in the farming operation.

National Priorities. The 2002 Farm Bill requires that at least 60 percent of the funds for EQIP be targeted to livestock production conservation practices or systems. Livestock production includes both confined and grazed livestock. After an extensive public-input effort, NRCS established the following national priorities:

- Reduction of nonpoint source pollution (nutrients, sediment, pesticides, or excess salinity) in impaired watersheds consistent with Total Maximum Daily Loads as well as the reduction of groundwater contamination and reduction of point sources such as contamination from confined animal feeding operations;
- Conservation of (the quantity of) ground and surface water resources;
- Reduction of emissions particulate matter, nitrogen oxides (NO_x), volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards;
- Reduction in soil erosion and sedimentation from unacceptable levels on agricultural land; and
- Promotion of at-risk species habitat conservation.

Financial Assistance.

- Cost-Share Payments: Under EQIP, the Secretary pays eligible program participants an amount not to exceed 75 percent of the cost to implement one or more structural, vegetative, or land management practices. Limited resource farmers and beginning farmers are eligible to receive up to 90 percent cost share.
- Incentive Payments: The Secretary determines an amount and rate for incentive payments paid to eligible program participants to implement one or more land management practices. For example, incentive payments are available for developing a comprehensive nutrient management plan which normally requires one or more land management practices.
- Limitations on Payments: Total cost-share and incentive payments are limited to \$450,000 per individual or entity during any six-year period, regardless of the number of farms or contracts. Beginning in FY 2003, no individual/entity may receive EQIP payments in any crop year in which the individual/entity's average adjusted gross income for the preceding three years exceeds \$2.5 million; unless 75 percent of that income is from farming, ranching, or forestry interests.

Conservation Plan. With NRCS or approved technical service providers' (TSPs) assistance, a participant develops an EQIP plan for the offered acres initially determined eligible. The plan specifies the method in which the planned conservation practices and systems on the enrolled acres will be implemented, operated, and maintained. This plan is the basis for the EQIP contract.

EQIP Contract and Contract Modifications. The CCC provides funding for cost-share and/or incentive payments to apply needed and approved conservation practices and systems and land use adjustments within a time schedule specified by the conservation plan. EQIP contracts may be modified to increase funds provided the increased cost is the result of a valid contract modification within the original contract scope and intent.

One example of an appropriate modification would be the adoption of a State law requiring a liner in a waste storage facility after the EQIP contract and cost estimate was prepared. The original intent was to install a waste storage facility and the facility must meet all Federal, State, and local regulations in order for NRCS to approve its construction. The contract would need to be modified to meet the new State regulation in order to install the originally contracted waste storage facility. All modifications are reviewed and approved according to authorities designated to the State Conservationist.

Technical Assistance and Partnerships. Producers receive technical assistance from NRCS or approved TSPs to develop the conservation plan and establish required practices for lands accepted into EQIP. EQIP complements many State and local programs in addressing specific local conservation and natural resource issues.

Partnership efforts have been forged with Federal, State, and local entities, including the National Association of Conservation Districts, State Associations of Conservation Districts, and local conservation districts in efforts to deliver a program beneficial to program participants and the environment. NRCS cooperates with Federal, State, and local partners to address local and national conservation issues. Through interactive communication between the local community, local interest groups, and State and Federal agencies, the partnership provides the entities with information and resources needed to address local priorities and implement State and national programs, such as EQIP.

EQIP complements many State and local governments' cost-share programs (i.e., Missouri Soil and Water Conservation Program, the Maryland State Conservation Cost-Share Program, the Delaware Water Pollution Fund), and many local programs administered through conservation districts (i.e., Clean Water Grants in Massachusetts, and the Pennsylvania Nutrient Management (Act 6) Grant Program).

Selected Examples of Recent Progress. FY 2007 EQIP funding to States was \$1.005 billion. An estimated 17.1 million acres will be treated through EQIP contracts funded in FY 2007.

Fiscal Year 2007 EQIP Program Demands¹

State	Total Number of Applications	Number of Contracts	Unfunded Valid Applications	Funded Valid Applications	Contract Average	Unfunded Applications
ALABAMA	3,484	1,274	1,261	50.30%	\$10,208	\$12,871,884
ALASKA	97	37	47	44.00%	\$123,479	\$5,803,523
ARIZONA	446	217	177	55.10%	\$93,592	\$16,565,768
ARKANSAS	2,822	1,263	605	67.60%	\$14,920	\$9,026,600
CALIFORNIA	2,982	1,192	1,365	46.60%	\$40,351	\$55,079,538
COLORADO	2,432	1,184	714	62.40%	\$24,105	\$17,210,941
CONNECTICUT	102	60	14	81.10%	\$73,861	\$1,034,053
DELAWARE	413	161	210	43.40%	\$36,336	\$7,630,564
FLORIDA	1,568	617	565	52.20%	\$32,638	\$18,440,538
GEORGIA	2,773	1,178	1,226	49.00%	\$13,939	\$17,089,251
HAWAII	140	82	49	62.60%	\$58,512	\$2,867,066
IDAHO	1,206	500	451	52.60%	\$30,112	\$13,580,386
ILLINOIS	2,758	1,643	856	65.70%	\$8,133	\$6,961,916
INDIANA	1,166	739	212	77.70%	\$15,502	\$3,286,369
IOWA	3,527	1,501	1,471	50.50%	\$14,225	\$20,925,122
KANSAS	3,093	1,635	536	75.30%	\$14,680	\$7,868,539
KENTUCKY	2,082	956	319	75.00%	\$11,323	\$3,612,139
LOUISIANA	2,135	1,129	495	69.50%	\$12,710	\$6,291,559
MAINE	908	281	473	37.30%	\$22,770	\$10,770,201

State	Total Number of Applications	Number of Contracts	Unfunded Valid Applications	Funded Valid Applications	Contract Average	Unfunded Applications
MARYLAND	530	405	13	96.90%	\$15,717	\$204,315
MASSACHUSETTS	287	107	159	40.20%	\$34,576	\$5,497,543
MICHIGAN	743	440	288	60.40%	\$36,109	\$10,399,519
MINNESOTA	2,056	1,528	248	86.00%	\$17,205	\$4,266,900
MISSISSIPPI	5,505	2,367	2,163	52.30%	\$6,704	\$14,500,363
MISSOURI	4,997	1,393	2,813	33.10%	\$14,659	\$41,235,851
MONTANA	3,655	771	1,811	29.90%	\$30,756	\$55,698,555
NEBRASKA	4,486	1,712	1,531	52.80%	\$15,285	\$23,400,814
NEVADA	319	95	141	40.30%	\$60,139	\$8,479,585
NEW HAMPSHIRE	325	139	168	45.30%	\$26,352	\$4,427,097
NEW JERSEY	429	90	283	24.10%	\$41,666	\$11,791,597
NEW MEXICO	1,539	518	690	42.90%	\$35,520	\$24,508,697
NEW YORK	905	535	284	65.30%	\$20,987	\$5,960,194
NORTH CAROLINA	1,540	680	452	60.10%	\$23,202	\$10,487,168
NORTH DAKOTA	2,232	712	1,062	40.10%	\$25,394	\$26,968,938
OHIO	2,949	1,242	1,313	48.60%	\$9,763	\$12,818,963
OKLAHOMA	6,944	1,643	3,772	30.30%	\$14,223	\$53,650,703
OREGON	1,513	580	759	43.30%	\$29,901	\$22,694,646
PENNSYLVANIA	1,954	430	1,208	26.30%	\$25,076	\$30,292,400
RHODE ISLAND	84	37	33	52.90%	\$62,065	\$2,048,138
SOUTH CAROLINA	1,453	411	785	34.40%	\$16,440	\$12,905,384
SOUTH DAKOTA	1,267	369	729	33.60%	\$46,061	\$33,578,520
TENNESSEE	3,362	991	1,366	42.00%	\$10,763	\$14,702,176
TEXAS	10,646	5,099	3,078	62.40%	\$14,145	\$43,537,479
UTAH	2,085	360	1,312	21.50%	\$51,191	\$67,162,238
VERMONT	319	38	185	17.00%	\$116,554	\$21,562,449
VIRGINIA	822	480	191	71.50%	\$24,300	\$4,641,376
WASHINGTON	1,244	470	455	50.80%	\$34,220	\$15,570,109
WEST VIRGINIA	1,529	519	707	42.30%	\$15,255	\$10,785,462
WISCONSIN	1,784	1,094	374	74.50%	\$15,962	\$5,969,605
WYOMING	1,597	508	949	34.90%	\$26,942	\$25,567,892
PACIFIC BASIN	38	36	2	94.70%	\$39,741	\$79,481
PUERTO RICO	448	252	165	60.40%	\$15,389	\$2,539,155
Total ²	103,720	41,700	40,535	50.70%	\$18,805	\$864,849,270

¹ Source: Protracts as of 09/30/2007. Unfunded applications include pre-approved, deferred, eligible, pending, and disapproved.

² Total contract average is based on national totals listed.

Significant EQIP Accomplishments

- Conservation Innovation Grants. Conservation Innovation Grants (CIG) is a voluntary program intended to stimulate the development and adoption of innovative conservation approaches and technologies while leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production. CIG was authorized under EQIP in the 2002 Farm Bill. Under CIG, competitive grants are awarded to eligible entities, including State and local agencies, non-governmental organizations, Tribes, or individuals.

CIG enables NRCS to work with other public and private entities to accelerate technology transfer and adoption of promising technologies and approaches to address some of the Nation's most pressing

natural resource concerns. CIG will benefit agricultural producers by providing more options for environmental enhancement and compliance with Federal, State, and local regulations.

In FY 2007, CIG was implemented with three components: National, Chesapeake Bay Watershed, and State. The grants will stimulate the development and adoption of innovative technologies and approaches through pilot projects and conservation field trials. CIG awarded projects address a broad range of natural resource concerns, including nutrient management, water conservation, air quality, grazing land and forest health, and on-farm energy efficiency.

The components were awarded as follows:

- National: Over \$17 million awarded to 47 recipients in 34 States.
 - Chesapeake Bay Watershed: Over \$2 million awarded to four recipients in three States.
 - State: Over \$6.6 million awarded to 105 recipients in 23 States, the Caribbean, and the Pacific Basin.
- Ground and Surface Water Conservation (GSWC). Thirty-two states located in the High Plains Aquifer, or areas severely impacted by drought (according to the USDA Drought Monitor), or in areas with extensive agricultural water needs were targeted for achieving a net savings in water consumption on agricultural operations. In FY 2007, producers entered into 2,072 GSWC contracts on nearly 353,722 acres to improve irrigation and water use efficiency on currently irrigated cropland.
 - Klamath River Basin. The Klamath River Basin Watershed was targeted to achieve improved water conservation measures on agricultural operations. California and Oregon each received approximately \$3 million for the Klamath River Basin Watershed in FY 2007. Conservation practices were applied on over 119,200 acres and irrigation water management applied on 71,900 acres since the program's inception. Irrigation water management plans are part of the conservation systems planned on nearly 197,600 acres to reduce agriculture's demand for water, improve hydrologic conditions, and restore habitat and water quality for fish and wildlife.
 - Colorado River Basin Salinity Control Program (CRBSCP). The functions of the CRBSCP continue under EQIP policy guidance and funding. There are seven active salinity control projects receiving EQIP assistance: four in Colorado, two in Utah, and one in Wyoming. The goal of these projects is to improve water quality by reducing excessive salt loading in the Colorado River. Through FY 2007, EQIP salinity control activities reduced approximately 468,800 tons of salt loading annually to the Colorado River, which is approximately 68 percent of the USDA goal of 716,000 tons annually to be achieved by the year 2020. Salt loading is caused by agricultural operations through surface runoff of irrigation water, deep percolation, and seepage of irrigation water.

Other Significant Accomplishments

- Beginning and Limited Resource Farmers and Ranchers.
 - NRCS approved 3,746 beginning farmers and ranchers for EQIP contracts totaling \$47.6 million. NRCS also approved more than 1,300 limited resource farmers and ranchers for EQIP contracts totaling \$12.4 million. NRCS approved 60.3 percent of the applications received from potential limited resource producers and beginning farmers and ranchers.
 - NRCS approved four Conservation Innovation Grants that will benefit small, limited resource farmers. Over \$1.2 million was awarded to these projects affecting eight states. NRCS awarded one Conservation Innovation Grant to a Tribal entity: \$179,000 to the Confederated Salish and Kootenai Tribes in Montana.
- EQIP on American Indian and Alaska Native Lands. In FY 2007, NRCS approved 409 American Indian and Alaska Native EQIP contracts that are valued at over \$17.4 million and, when completed, will assist American Indians and Alaska Natives treat over 2.7 million acres.
- Market-based Approaches through the Conservation Innovation Grants. In FY 2007, NRCS awarded more than \$5.4 million to 15 projects in 30 states to implement an array of market based approaches that promote conservation. The results of these projects will be incorporated into NRCS' technology transfer tools (practice standards, field handbooks, guidance documents, etc.) Some examples are:

- Carbon credit trading on rangeland in five states (Colorado, Idaho, Montana, Nebraska, and Wyoming);
 - Point Source to Nonpoint Source Nutrient Trading in the Upper Chesapeake Bay in Maryland;
 - Market Incentives for wine grape growers in California, with focus on transferability to other specialty crop growers nationwide; and
 - Developing a Model for Market-Based Pricing and Procurement of Biomass in Iowa.
- **ProTracts.** The use of this web-based contracting tool has resulted in considerable time savings in contract administration and has provided the Agency with improved information concerning the use and implementation of EQIP funds. Additionally, in FY 2007 an application and evaluation ranking tool was used to rank all applications. It ensured consistency, reduced time in ranking applications, allowed tracking of application information nationwide to monitor application selections and assist with customer understanding of the ranking process. Examples of information that can be obtained include but are not limited to the number of applications by major crop and livestock types. ProTracts also tracks conservation practice implementation on contracts to assist States in managing and improving the rates of implementation under EQIP.
 - **Technical Service Providers (TSP).** NRCS obligated \$23.1 million in EQIP for TSPs in FY 2007. Each state was allocated funding for TSPs from their technical assistance funds to implement this effort. Many states exceed the allocated amount to involve more TSP assistance.
 - **Contract Completion Incentive (CCI).** The CCI provides financial incentives to participants who complete all structural practices in their FY 2006 contracts within the first or second year following contract obligation. In FY 2007 over \$2.7 million was paid to contract participants to increase contract implementation under this incentive. The incentives range from \$150 to \$4,000 depending on the amount of the contract and how quickly (first or second year) the contract is completed. The contract must include at least one structural practice and have a minimum financial obligation of \$5,000. The funds come from the FY 2007 EQIP financial assistance allocation already provided to the states.

Selected Examples of Recent Progress

Kansas – Plant and Animal Health. Helen Goebel, Woodson County, Kansas, knew she needed to do something. Brush of blackberry, sumac, multiflora rose, dogwood, and post oak trees had produced a canopy on 15 percent of the ground contributing to poor grass growth. Her stocking rate on the ranch had dropped 20 to 25 percent over the last few years. Goebel wanted to increase her herd and stabilize her land values.

NRCS recommended cross-fencing, grazing rotation plan, and prescribed burns with aerial herbicide applications for brush management. Goebel was approved for an EQIP contract and was eligible to receive an extra incentive payment. The contract began in 2004 and ends in 2009.

“At first it seems like you’re moving the cattle every few days, but then the rotations get much longer and the grass really takes off,” she says. She switches the herd three times through four separate paddocks, ranging in size from 73.3 to 110.2 acres, between mid April and the end of October.

As Goebel presses ahead in her battle to suppress brush and boost grass vigor, she’s grateful for EQIP. “This has been a real catalyst to jump-start the cattle program,” Goebel adds. “Watching calves play in those pastures and the satisfaction of improving the land for the next generation is truly rewarding.”

North Dakota – Soil Health. The Burleigh County Local Work Group requested Cover Crops be included in the EQIP practice list for FY 2007. The request was approved and during the next EQIP batching period a total of 31 contracts were approved; 15 of the contracts included Cover Crops. The first year’s response has been very positive. Farmers and ranchers incorporated the cover crops into their no-till systems and are using them to address specific resource concerns: crop diversity, soil organic matter, nutrient cycling, surface litter, moisture management, pest management, water quality, wildlife, and livestock forage. Most of the Cover Crops were grown in combinations or “cocktails”, which have numerous Soil Health benefits.

Cover Crops are also being used as a bridge to integrate the no-till cropping systems and rotational grazing systems.

The Burleigh County Soil Conservation District (BCSCD) and NRCS sponsored a follow up Soil Health Tour on August 30, 2007. The evening tour highlighted five of the EQIP Cover Crop fields with farmers, ranchers, and conservationists coming together to share a wealth of agronomic information. The tour attracted 300 participants and resulted in six additional follow up tours during September. Recently, North Dakota has also included Cover Crops state wide in the 2008 EQIP practice list.

California – Air Quality. Air Quality Initiative for San Joaquin Valley Farmers announced in FY 2007. This new 3-year initiative combines technical and cost share assistance through NRCS. The Agency will oversee the initiative using both conservation technical assistance as well EQIP, which shares the cost of structures and practices that farmers undertake to protect natural resources. NRCS made some money available in August to fund a portion of California's backlog of eligible applications to voluntarily improve air quality. Since the California Department of Pesticide Regulation (DPR) and the San Joaquin Valley Air Pollution Control District will soon be requiring agricultural growers to reduce on-farm emissions of smog-producing Volatile Organic Compounds (VOC's), there is a heightened need to help producers now to meet the mandate.

Montana - Water Quantity. What began as landowners' concern over a lack of water has emerged as 37,119 feet of pipeline that serves 2,880 acres of rangeland in the foothills of Orofino Mountain south of Deer Lodge. The Orofino pipeline evolved into a complex system involving multiple landowners, government agencies, and the Atlantic Richfield Oil Corporation (ARCO).

"Four sections of ground that we run our cattle on only had two springs and one creek that ran most of the time. There's pretty good grass there, but there isn't much water," said Ted Beck, landowner involved in the Orofino pipeline project. "There were usually only about 100 pair and on those four sections for less than three months because of the lack of water."

The purpose of the Orofino pipeline is to attain better dispersal of cattle over the entire range with strategically placed livestock watering tanks. Because Tom Beck, Ted Beck, and Arnie Mohl, the private landowners served by the pipeline, wanted to keep fencing costs down and long-term maintenance requirements to a minimum, NRCS employees at the Deer Lodge USDA service center came up with an alternative. The placement of water tanks is used to manage the grazing patterns of the cattle rather than fencing.

South Carolina – Water Quality. Ricky Rhode of Dorchester County, South Carolina, has a cotton field that to some people is just unbelievable. "When I was planting this field, I had people come by and ask me what I was doing—like I was crazy for attempting to plant into residue!" remarked Rhode. Skeptical observers told Rhode that it wouldn't work. But, Rhode proved them all wrong when he planted strip-till cotton and turned the field into a success story. Rhode has been working with Jeff Lucas, NRCS district conservationist in St. George, SC, to practice continuous strip-till on 500 acres of cotton, corn, and soybeans.

He received EQIP cost-share to try conservation tillage and is glad that he did. "If it wasn't for NRCS incentive programs, I'm not sure I would have tried conservation tillage on my own," remarked Rhode. "When I realized the long-term cost savings, reduced wear and tear on my equipment, and the time savings, I was hooked." As a professional land surveyor, Rhode works on the farm in his "spare" time, which is limited. "I needed a way to save time and with strip-till you can get the job done twice as fast without any loss in crop yields," he emphasized.

Rhode practices continuous no-till which means that no disking is done on his fields. This method of conservation tillage involves no mechanical preparation before planting. This allows organic matter to increase which improves soil health. In addition, conservation tillage, as opposed to conventional tillage,

improves soil drainage, helps prevent erosion, and can improve plant growth over time. Conservation tillage also cuts down on tractor trips across the field, and Rhode points out that this is essential with fuel prices going up. "I save money with strip-till because I don't have to constantly fuel up my equipment. Strip-till allows me to get my farming done and maintain my land surveying company," confirmed Rhode.

18 State CIG Project (California, Colorado, Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, New York, Oregon, South Dakota, Vermont, Washington, and Wisconsin) – Market-Based/Energy. The Biofuels Acceleration Project will use voluntary markets for the sale of biofuel-sourced project 'credits' to accelerate the production of 'high benefit' biofuels. The awardee will deliver standards for the following items: benefit measurement and accounting protocol; biofuel project accounting standard for use in data collection, benefit measurement, and project credit creation; and verification, certification, and registration of project credits.

Maryland – Water Quality/Market-Based The Maryland Department of Agriculture will develop policies and guidelines for agricultural non-point source nutrient trading, refine nutrient reductions associated with agricultural best management practices (BMPs) related to trading, and demonstrate nutrient trading in a watershed in the Chesapeake Bay.

PART Assessment. During 2007, a Program Assessment Rating Tool (PART) assessment rated EQIP as "Moderately Effective." The assessment found that EQIP's budget requests are explicitly tied to accomplishment of goals and objectives and the program has developed ambitious targets for its long-term performance measures. The assessment also found that although the EQIP obligates funds in a timely manner and for their intended purposes, the Agency needs to improve its financial management practices.

In response to the 2007 findings, NRCS is improving EQIP under PART by taking the following actions:

- Aligning program priorities with state allocations.
- Improving financial management practices.
- Improving soil quality performance measures to reflect actual program results.

**COMMODITY CREDIT CORPORATION
WILDLIFE HABITAT INCENTIVES PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. Section 1240N of the Food Security Act of 1985, as amended by 2502 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) (16 U.S.C. 3839bb-1), authorized Wildlife Habitat Incentives Program (WHIP) to improve wildlife habitat in our Nation. NRCS administers WHIP.

The purpose of the program is to develop high quality wildlife habitat that supports wildlife populations of local, State, and national significance. Although the primary purpose is wildlife habitat development and enhancement, the benefits are not limited to wildlife. The practices are often compatible with and beneficial to farming and ranching enterprises. Some practices enhance farm profitability by improving grazing conditions, reducing management expenses, and by producing non-crop income from the lease of rights to harvest and observe wild game and fish. WHIP has been used to control invasive species, re-establish native vegetation, manage non-industrial forestland, stabilize streambanks, protect, restore, develop or enhance unique habitats, and remove barriers that impede migration of certain wildlife species.

WHIP is a voluntary program that provides technical and financial assistance to enable eligible participants to develop upland wildlife, wetland wildlife, threatened and endangered species, fish and other types of wildlife habitat in an environmentally beneficial and cost effective manner. WHIP supports NRCS' Strategic Plan's Mission Goal of Healthy Plants and Animals.

National Priorities. WHIP FY 2007 national priorities are to:

- Promote the restoration of declining or important native wildlife habitats.
- Protect, restore, develop or enhance wildlife habitat of at-risk species (candidate species, and State and Federally listed threatened and endangered species).
- Reduce the impacts of invasive species on wildlife habitats.
- Protect, restore, develop, or enhance declining or important aquatic wildlife species' habitats.

Eligibility Criteria. To be eligible for WHIP, the land must be privately owned land, Tribal land, or State/local government lands on a limited basis. Federal land is eligible when the primary benefit is on private lands and the project cannot meet its objectives without the Federal land.

WHIP State Wildlife Plans Updated. NRCS updated WHIP plans in each State to reflect FY 2007 WHIP national priorities, the recent NRCS Strategic Plan, and to ensure wildlife needs are comprehensively addressed. A key reference in the NRCS WHIP plan update was State government wildlife action plans that State wildlife agencies developed or updated in FY 2005. Together, these Federal and State plans help identify high value and important habitats and focus funding on projects to conserve and restore them.

Program Operation.

- **States Set Wildlife Priorities.** NRCS works at the local level and with the State Technical Committee to establish wildlife priorities. This process allows for local input as well as the coordination of wildlife priorities with other wildlife interests in the State and encourages the leveraging of other State, Federal, and private dollars to address state and local wildlife priorities. States generally select two to six priority habitat types; States have consistently included one or more upland and riparian habitats. A number of States identified wetlands, aquatic in-stream habitat, and other unique wildlife habitat such as caves and salt marshes as priorities.
- **Wildlife Habitat Plan.** NRCS and its partners provide program participants with an assessment of wildlife habitat conditions, recommendations for practices to improve these habitat conditions, and a plan that incorporates practices and strategies for maximizing habitat for target species. This wildlife habitat development plan is the basis of the agreement between NRCS and the participant.

- WHIP Agreements. The wildlife habitat development plan identifies the cost-share practices that will be installed and the operation and maintenance requirements for the life of the agreement. Agreements usually last from five to 10 years. WHIP provides additional cost-share to landowners who enter into 15-year or longer agreements to protect and restore high value and important plant and animal habitat.
- Implementation Assistance. NRCS helps program participants with technical and financial assistance to install any eligible practice NRCS determines is primarily for the development of wildlife habitat. NRCS provides up to 75 percent of the cost of installing these wildlife habitat development practices (native grassland seeding, prescribed burns, hardwood planting, fish passage structure installation, etc).
- Partners Play Significant Role. In addition to providing technical assistance, partners provide financial assistance through additional cost-share dollars, supplying equipment, or installing practices for the participant. This emphasis placed on partners in WHIP has improved communication and coordination among various interests addressing wildlife concerns. The partners who play an essential part of the success of the program include public agencies, non-profit organization partners, and Technical Service Providers.

Accomplishments. In FY 2007, NRCS enrolled over 2,100 agreements on over 350,000 acres. The value of the contracts exceeded \$31.5 million. The average agreement size is 170 acres. There were 28 contracts on over 3,496 acres of American Indian and Alaska Native Lands in FY 2007. On average, NRCS agreed to reimburse participants approximately \$14,900 for each long-term agreement. Since the program began in 1998, national enrollment includes a total of over 25,600 agreements on over 4 million acres. In FY 2007, partners contributed over \$762 million dollars to help WHIP participants establish wildlife habitat practices on enrolled lands. NRCS provided over \$31.8 million in financial assistance from the Commodity Credit Corporation.

WHIP Benefits. Of the total acreage enrolled in FY 2007, six percent will benefit threatened and endangered species. Threatened and endangered species targeted through WHIP include, but are not limited to, the following: American-burying beetle, Neosho madtom, Topeka shiner, gray bat, kit fox, black-tailed prairie dog, bog turtle, gopher tortoise, dusky-gopher frog, Eastern-indigo snake, southern-hognose snake, black-pine snake, Louisiana-black bear, red-cockaded woodpeckers, Mississippi-sandhill crane, Florida panther, wood storks, snail kites, Florida sandhill crane, caracara, grasshopper sparrow, Snake River-Chinook salmon, Umpqua River-cutthroat trout, coho salmon, steelhead, bulltrout, Lahontan-cutthroat trout, Yuma-clapper rails, Sonoran pronghorn, Mexican voles, lesser long-nosed bats, and Atlantic Salmon.

Nationally, WHIP acres were distributed among the following three major habitat types and declining species:

- Upland Wildlife Habitat. Of the total FY 2007 acres enrolled, over 95 percent encompassed upland wildlife habitat including grasslands, shrub/scrub, and forests. Several types of early succession grasslands, such as tall grass prairies, have declined more than 98 percent according to a 1995 U.S. Fish and Wildlife Service Report. One primary focus of WHIP nationally is the restoration of these scarce areas. Wildlife dependent on native grasslands includes neo-tropical migratory birds, waterfowl, amphibians, reptiles and many mammals. Specific species that will benefit from re-establishment of grasslands in one or more states include grasshopper sparrow, bobwhite quail, swift fox, short-eared owl, Karner-blue butterfly, gopher tortoise, western-harvest mouse, Gunnison-sage grouse, and Greater sage grouse.

Other upland priorities include the establishment of windbreaks, and the improvement of the edge around cropland, wildlife corridors, shrub-scrub and steppe habitats, and forests including pine barrens and long leaf pine. Wildlife species that will benefit from development of these habitats include Louisiana black bear, Eastern collared lizard, Bachman's sparrow, ovenbird, acorn woodpecker, western grey-squirrel and Greater sage grouse.

Practices installed on upland habitat include seedings and plantings, fencing, livestock management, prescribed burning, and shrub thickets with shelterbelts. Additional practices were installed for the benefit of forest land management including creation of forest openings, disking or mowing including

meander disking through woodlands, woody cover control, brush management, upland wildlife management, aspen stand regeneration, and exclusion of feral animals.

- **Wetland Wildlife Habitat.** More than 4 percent of WHIP lands benefit wetland habitat. WHIP wetland acres are not eligible for the Wetlands Reserve Program. WHIP wetland habitat includes crop fields that are flooded in the winter for waterfowl, tidal flushing areas, salt marshes, wetland hardwood hammocks, mangrove forests, and wild-rice beds. WHIP wetland habitat also includes created wetlands, freshwater marshes, and vernal pools in abandoned gravel mines.

Among the wildlife species that will benefit from development or enhancement of wetland habitat are black crowned night heron, snowy egret, canvasback duck, ibis, piping plover, short-nosed sturgeon, osprey, California-clapper rail, fairy shrimp, Santa Cruz long-toed salamander, and endangered waterbirds (Koloa duck, nerie goose, coot) in Hawaii.

- **Riparian and In-stream Aquatic Wildlife Habitat.** Riparian habitat makes up about one percent of the acres enrolled in FY 2007. This category includes riparian areas along streams, rivers, lakes, sloughs and coastal areas. Almost 5,000 acres of riparian herbaceous cover, shallow water management for wildlife, and over stream habitat improvement and management were installed. Not all WHIP practices are measured in acres. For instance, funds addressed almost 77,000 feet of stream bank/shoreline protection.

Selected Examples of Recent Progress

Fish passage projects. Eleven States (Alaska, Connecticut, Delaware, Kentucky, Maine, New Hampshire, Oregon, Rhode Island, Virginia, Wisconsin, and Wyoming) obligated over \$5.4 million for fish passage projects during FY 2007. Such projects as dam removal, fish ladder installation, culvert replacement, and self-regulating tide gates were approved for implementation. With implementation of these projects over 300 miles will be made accessible for such prioritized aquatic wildlife species as Atlantic salmon, whitefish, shellfish, burbot, grayling, northern pike, Brook and Brown trout, American shad, American eel, Blackside Dace, alewives, blueback herring, rainbow trout, sea lamprey, smallmouth bass, Roanoke Logperch, Roanoke Bass, Yellowstone Cutthroat trout, Sauger burbot, and prairie fish.

Culvert replacement benefits federally protected Atlantic salmon in Maine. A small brook known as the Harmon Brook is one of 13 tributaries to the better known East Machias River. Clear, free-flowing streams are required by young salmon for their survival. For 50 years the brook has flowed through a culvert of a logging road. Culverts pose real challenges to adult salmon seeking spawning grounds and their tiny offspring by changing the dynamics of a stream, affecting downstream flow, water temperature and sediment load. The culvert was replaced by an archway and rocks placed to replicate a natural waterway making the road invisible to the stream.

Fish passage channel around a dam benefits migration of fish in Montana. Through the tenacious efforts of an irrigation district manager that took 40 years of work, a 660 foot fish passage channel was finally completed to bypass a 300 foot long, 12-foot high diversion dam on the Tongue River that has been in place since 1885. This work opened 50 miles to six species of concern such as the blue sucker, sturgeon chub, and the sicklefin chub, including another 49 species of fish.

A fish screen provides safe fish passage in Idaho. The Bear River in south eastern Idaho provides critical habitat for the threatened Bonneville cutthroat trout. The River is also a major source of irrigation water for adjacent farms and ranches. After irrigation season there were numerous fish found trapped in irrigation ditches which lead away from the river. A large diversion structure and fish screen was installed and now provides safe passage when the threatened trout is traveling up and down the spawning river.

A farmer diversifies to benefit agriculture and wildlife in California. Through WHIP, a farmer gained improvements in soil, water, native plants, and wildlife habitat. Water required by field and row crops was provided through work with the local irrigation district and tomato cannery rinse water. The crop fields filter the rinse water. Twenty six neighbors, agencies, and organizations completed the largest vegetation management plan of its kind in the State to control brush encroachment into grasslands and improve habitat

on grazing land. Native trees and shrubs were planted along ranch ponds and riparian areas to provide cover and food for wildlife. Fencing and the use of prescribed grazing control invasive plant species and benefit livestock, vegetation and wildlife. Livestock are kept away from ponds and streams with wildlife friendly fencing and are pumped drinking water at solar-powered watering facilities.

Early Successional Habitats in New York. Between 1966 and 2003, 64 percent of shrubland bird species and 85 percent of grassland bird species declined significantly. Early successional bird species are a conservation priority, including New York threatened, endangered, and species of special concern. Several thousand acres have been enrolled in eight core grassland habitat areas selected based on research completed through GIS analysis. In fiscal year 2007, 128 WHIP applications were received representing 3,300 acres.

PART Assessment. During 2006, a Program Assessment Rating Tool (PART) assessment rated WHIP as "Adequate." The assessment indicated that NRCS improved its program management and made progress in meeting its annual targets and long-term performance goal of improving habitat for prioritized species.

To improve program performance under PART, NRCS is taking the following action:

- Developing a National WHIP Plan to identify key priority species and habitats.
- Improving WHIP management by identifying national program priorities, standardizing the application selection and ranking process, and conducting an independent review of the allocation formula.
- Emphasizing performance in WHIP national guidance and allocation process to ensure conservation practices are installed as planned on a timely basis and priority species and habitats are targeted.

**COMMODITY CREDIT CORPORATION
FARM AND RANCH LANDS PROTECTION PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) established the Farm and Ranch Lands Protection Program (FRPP) and repealed the Farmland Protection Program (FPP). The Federal Agriculture Improvement and Reform Act of 1996 established FPP as a new farmland protection program. Under the FPP, the Secretary of Agriculture, acting through the NRCS, was authorized, on behalf of the Commodity Credit Corporation (CCC), to purchase conservation easements for the purpose of protecting topsoil by limiting nonagricultural uses of the land. The FPP enabled the Federal government to establish partnerships with State or local governments to share in the costs of acquiring conservation easements. The FRPP more accurately reflects the types of land the program protects. FRPP added Tribal governments and non-government organizations as eligible cooperating entities with which NRCS could share the costs of acquiring easements.

FRPP supports the NRCS Strategic Plan Mission Goal of Working Farms and Ranch Lands. Through FRPP NRCS:

- Establishes partnerships with State, Tribal, or local governments or non-governmental organizations to leverage their purchase of development rights by providing matching funds not to exceed 50 percent of the appraised fair market value;
- Acquires perpetual conservation easements on a voluntary basis on farm and ranch lands that contain prime, unique, or other productive soil or historical and archaeological resources; and
- Protects topsoil by limiting conversion to nonagricultural uses of the land.

Program Operation

Cooperating Entity Eligibility. FRPP is carried out through existing farmland protection programs of State, Tribal, or local governments or non-governmental organizations. These cooperating entities include local or State agencies, counties or groups of counties, municipalities, towns or townships, soil and water conservation districts, American Indian Tribes or Tribal organizations, and eligible non-governmental organizations. They may apply for FRPP funds if they have a farmland protection program that purchases conservation easements for the purpose of protecting topsoil by limiting conversion to nonagricultural uses of land, and if they have pending offers with willing landowners. Potential participating cooperating entities must provide written evidence of:

- Cooperating entities' commitment to long-term conservation of agricultural lands through the use of legal instruments (i.e., right-to-farm laws, agricultural districts, zoning, or land use plans);
- The use of voluntary approaches to protect farmland from conversion to nonagricultural uses;
- The capability to acquire, manage, and enforce easement rights or other interests in land; and,
- The availability of cash funds to provide a minimum 25 percent of the appraised fair market value of the conservation easement or 50 percent of the conservation easement's purchase price.

Individual Eligibility. Individual landowners must apply to and be accepted by the eligible State, Tribe, or local governments or non-governmental programs to participate in FRPP.

Application and Selection Process. NRCS uses an Announcement of Program Funding (APF) to solicit FRPP participation. An APF is published on the web site www.grants.gov each year when funds are made available to initiate FRPP participation. Upon receipt of the proposals from an eligible cooperating entity, each NRCS state office evaluates the entities and evaluates and ranks the parcels contained in the proposals. Once the parcels are ranked and prioritized, NRCS awards funds to the eligible cooperating entities that had proposals with the highest ranked parcels for which the state has FRPP funding. Cooperative agreements are signed between the cooperating entities and NRCS to obligate FRPP funds.

Cooperating entities process the easement acquisition, and also hold, manage, and enforce the acquired easements. The Federal share for any easement acquisition is limited to a maximum of 50 percent of the appraised fair market value of the conservation easement. A reversionary right must be incorporated in

each easement deed to protect the Federal investment. To ensure responsible land stewardship, the implementation of a conservation plan protecting highly erodible land on each parcel is also required for each easement acquired in part with Federal funds. A failure to abide by the terms of the cooperative agreement or the recorded easement deed by the cooperating entity may result in the easement rights being vested in the United States, or the United States receiving reimbursement in full for the Federal share of the easement purchase price. When easement acquisitions are completed, cooperating entities submit appropriate documentation to the NRCS State office and request reimbursement equal to the Federal share of the easement purchase price. Payment is issued at closing or on a reimbursable basis. FRPP funds are made available from the CCC.

NRCS Technical Assistance. NRCS provides technical assistance to landowners who develop conservation plans for those acres that have been accepted in FRPP. These activities include conservation planning, verification of entity and land eligibility, and evaluating and ranking applications. NRCS reviews and monitors the cooperative agreements and easements and processes payments.

Selected Examples of Recent Progress

1996-2007 Cumulative Summary. From 1996-2007, a total of \$526.7 million was appropriated to FRPP. During that time, 49 States have received over \$511.8 million in financial assistance from FRPP funds. Easements on 1,914 farms and ranches have been purchased using FRPP funds. It is estimated that 389,394 acres of prime, unique, and important farmland have been or will be permanently protected from conversion to nonagricultural uses with these easements. Approximately 536,936 acres on 2,764 farms, with an estimated cumulative easement value of nearly \$1.63 billion, have or will have easement contracts in the near future. To date, all acquired easements and other interests proposed for acquisition are for perpetuity.

The demand for the program has exceeded available funds by approximately 200 percent. For every Federal dollar invested through FRPP, an additional two dollars has been contributed by the participating State, Tribal and local governmental entities, non-governmental organizations, and landowners. In FY 2007, Congress appropriated \$73 million for FRPP.

Connecticut – Crooke’s Orchard. Following the death of her husband, Elaine Crooke knew she had to sell, but couldn’t face the idea of losing the 148-acre family farm – home of the patented *Miracle Mac* – to a housing or condo development. And neither could her town. This year, Ashford was one of the first towns in Connecticut to officially designate and recognize Local Important Farmland. Residents unanimously voted to match state and federal money and buy Crooke’s development rights. Crooke’s Orchard was protected from development through a partnership of the State of Connecticut and NRCS – who split 75% of the cost, and the Town of Ashford (who paid 25%). Crooke’s Orchard is the first completed Purchase of Development Rights property under a new system that does not rely on bonding for the State share of funds, but is paid for through real estate conveyance taxes. The land will remain farmland and the orchard, sold to a new owner, will continue to operate.

Montana – Bird Creek Ranch. NRCS purchased a conservation easement on the Bird Creek Ranch through the FRPP. Three separate and distinct easements cover the property. The Montana Fish, Wildlife, and Parks easement covers the entire 2,292 acres, the Montana Fish, Wildlife and Parks also holds the FRPP easement on 1,311 acres and NRCS holds a 283-acre WRP easement. The FRPP portion (1,311 acres) consists of 59% prime, unique, statewide, or locally important soils. The entire ranch has been designated as a Montana Historic Property and also contains a buffalo impoundment and a historic ferry crossing. The property has a total of 295 acres of wetlands, 97 acres of non-wetland riparian areas, 3.3 miles of Missouri River footage and 2.5 mile of Bird Creek footage.

North Carolina – David Isles Farm. The 193-acre David Isles farm in Halifax County was protected with a permanent easement through the Farm and Ranchland Protection Program in December of 2006. Although Halifax County represents one of the largest agricultural production counties in the State, this farm is the last working dairy in a county along Interstate 95 and is now protected in perpetuity. Efforts to protect this working dairy farm, which contains 94% prime or state important soils, included the North

Carolina Clean Water Management Trust Fund, the Tar River Land Conservancy, the Fishing Creek Soil and Water Conservation District, and the Farm and Ranch Lands Protection Program administered by NRCS.

West Virginia – Harewood Farm. FRPP funds purchased an easement in Jefferson County, West Virginia to protect 213 acres of productive agricultural soil, an historic resource, and a 40-acre marl wetland. The farm has 130 acres of prime, unique, and important farmland soil and is being managed as pasture and hayland. The property was acquired through a partnership of the Jefferson County Farmland Protection Program under the West Virginia Voluntary Farmland Protection Act, the Farm and Ranchland Protection Program administered by NRCS; the American Battlefield Protection Program, USDI; the Land Trust of the Eastern Panhandle, and the Nature Conservancy.

The Harewood Farm is the Colonial Harewood estate once owned by Lawrence and Samuel Washington, brothers of President George Washington. The farms surround and buffer the historic Harewood mansion which is located on an adjoining parcel. Built in 1770 by Samuel Washington, the mansion is on the National Register of Historic Places.

Harewood Farm was involved in the Confederate Army's movement during the Battle of Cameron's Depot and the movement of Confederate and Union troops between Charles Town and Middleway as reported by the Civil War Sites Advisory Commission.

PART Assessment. A 2005 a Program Assessment Rating Tool (PART) assessment rated FRPP as "Adequate." The assessment concluded that the program:

- Prioritized applications at the state level and selected the best projects for protecting important agricultural lands from development, and
- Developed improved long-term and annual performance measures that should better assess how well the program is delivering results.

NRCS had not conducted independent and in-depth reviews of FRPP to assess its efficacy compared with other easement programs that protect agricultural land. The new improvement plan requires an independent evaluation to assess the efficacy of the program and the collection and assessment of data to track progress program performance. NRCS and the University of Nebraska surveyed customer for perceptions on accomplishments of FRPP objectives. The January 2006 survey findings were used to improve program performance.

To improve overall program efficiency under PART, NRCS is taking the following action:

- Performing more in-depth and independent evaluations to assess the efficacy of the program.
- Collecting and assessing data to track progress in improving program performance.

**COMMODITY CREDIT CORPORATION
GRASSLAND RESERVE PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. The Grassland Reserve Program (GRP) was authorized by Sections 1238 N through Q of the Food Security Act of 1985 (P.L. 99-198) as amended by Section 2401 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). A voluntary program, GRP helps landowners and operators restore and protect rangeland, pastureland, and other grassland while maintaining the land's suitability for grazing.

As required by statute, GRP's emphasis is on supporting grazing operations, plant and animal biodiversity, and grassland and land containing shrubs or forbs under the greatest threat of conversion. Land is eligible if it is privately owned or tribal land, and it is 1) grassland that contains forbs or shrubs (including rangeland and pastureland) or 2) located in an area that has been historically dominated by grassland, forbs, or shrubs. The land must also have potential to provide habitat for animal or plant populations of significant ecological value if the land is retained in the current use or restored to a natural condition. Incidental lands may be included to allow for the efficient administration of an agreement or easement.

GRP has enrollments in all 50 states and Puerto Rico. GRP contributes to two NRCS strategic Mission Goals: Healthy Plant and Animal Communities, and Working Farm and Ranch Lands. GRP participants are required to follow a conservation plan on all enrolled acres.

The program is jointly administered by the Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA). NRCS has lead responsibility on technical issues and easement administration. FSA has lead responsibility for rental agreement administration and financial activities.

Although each agency has a specific focus related to program administration, FSA and NRCS work collaboratively on all program matters. This collaboration enables field staffs to more efficiently and effectively implement GRP. The program operates under a continuous signup process. NRCS and FSA in consultation with the State Technical Committees use State-developed ranking criteria to ensure GRP funds are focused on projects that address program priorities and objectives. State application selection criteria and program forms are publicly available through agency websites.

Program Enrollment Options. Participants have the opportunity to enroll acreage in rental agreements, or either long-term or permanent easements. Under an easement option or a rental agreement option, the land will be managed to maintain the viability of the plant community as described in a participant's conservation plan developed with the NRCS. With USDA approval, participants may include a restoration agreement with either enrollment option.

All enrollment options permit grazing on the land in a manner that is consistent with maintaining the viability of the natural grasses, shrubs, and forbs. Haying, mowing, or harvesting seed is permitted except during the nesting seasons for area bird species that are in significant decline. If funds are limited, USDA gives a higher priority to applications with high quality grassland needing protection rather than restoring poorer quality grassland.

Features of the various enrollment options are:

- 10-year, 15-year, 20-year or 30-year rental agreements. Rental payment amounts will not exceed 75 percent of the grazing value for the length of the agreement and are paid annually after the anniversary date of the agreement. County-based grazing values (determined on soil productivity) are posted in USDA field offices. Payment rates are evaluated to assure that the rates reflect local prevailing rental rates.

- Permanent easements. Easement duration is in perpetuity. Participants are provided an easement payment after the easement is filed. Easement payment amounts are based on the current market value of the land less the grazing value of the land encumbered by the easement. Site specific appraisals determine land values.
- 30-year easements or easements for the maximum duration permitted based on State law. Participants are provided a payment that is 30 percent of the amount determined for a permanent easement.

For all easement options, Commodity Credit Corporation pays costs associated with recording the easement in the local land records office (recording fees, charges for abstracts, surveys, appraisal fees, title insurance, etc.). These costs are authorized for payment under Section 303 of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970. If NRCS and the landowner determine that restoration is necessary to return the vegetation to a desired condition, cost-share assistance is available. Participants may receive up to 90 percent of the cost of carrying out measures and practices on lands that have never been cultivated and not more than 75 percent of the cost on land that has been cultivated.

Technical Assistance. The participant develops a conservation plan with NRCS for the acres determined eligible for GRP. NRCS provides assistance to the participant after the land is enrolled. The plan specifies the manner in which the grasslands should be managed to maintain their viability. Under these agreements, participants have the opportunity to use common management practices to maintain the viability of the grassland acreage. NRCS technical assistance includes reviews of restoration measures, guidance on management activities, and basic biological advice to achieve optimum results considering all grassland resources.

Selected Examples of Recent Progress

Conservation on the Ground - GRP in Kansas. Kansas has very productive native grasslands. During FY 2007, ranchers in Kansas signed 47 GRP conservation easements that will protect 22,600 acres of the state's native grassland.

The primary purposes of these easements include preservation of native and naturalized grassland, support for grazing operations, protection from threat of conversion, and maintaining or improving plant and animal biodiversity and stopping the spread of unwelcome invasive species such as sericea lespedeza and cedar.

Maintaining healthy, productive native grassland is vital to Kansas agriculture. The state's \$6 billion per year cattle industry depends, in part, on high quality forage. Many small rural towns rely on profitable ranches for commerce. Native grasses also serve as critical habitat to the Greater Prairie Chicken, a species with a declining population. Moreover, Kansas ranchers are the sole stewards of the last vestige of America's rapidly shrinking tall-grass prairie. The tall-grass prairie, and its rich diversity of plant and animal species, once cut a wide, 150-million acre swath across North America's midsection.

Today, however, more than 90 percent of the tall-grass prairie is gone. Two-thirds of what remains of the Kansas tall-grass prairie is in jeopardy. GRP conservation easements are one way to prevent the destruction of the Kansas tall-grass prairie. And, not surprisingly, Kansas ranchers have demonstrated a keen interest in the program by enrolling 22,600 acres in GRP easements that will forever remain in tall-grass prairie.

FY 2007 Summary

In FY 2007 \$3,049,817 was obligated to new rental agreements in 17 states to limited resource farmers. These rental agreements protect grasslands on 76,333 acres.

GRP Accomplishments	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual
Number of participants enrolled	794	1,055	1,156	161	165
Acres enrolled	240,965	283,338	384,794	93,487	76,333
Permanent protection of native grassland, rangeland, and shrubland through GRP conservation easements	60,341	78,218	97,742	7,940	0
Protection of grassland, rangeland, and shrubland habitat for declining species	134,098	255,000	282,466	60,370	0

**COMMODITY CREDIT CORPORATION
CONSERVATION SECURITY PROGRAM****STATUS OF PROGRAM****Current Activities**

Background. The Conservation Security Program (CSP) is authorized by the Farm Security and Rural Investment Act of 2002. The CSP is a voluntary program administered by the Natural Resources Conservation Service (NRCS). The program provides financial and technical assistance to producers who advance the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. Such lands include cropland, grassland, prairie land, improved pasture, and rangeland, as well as forested land and other non-cropped areas that are an incidental part of an agricultural operation. The CSP regulation implements provisions set out in Title XII, Chapter 2, Subchapter A, of the Food Security Act of 1985, 16 U.S.C. 3801 et seq., as amended by the Farm Security and Rural Investment Act of 2002, enacted on May 13, 2002, Public Law 107-171 and is intended to assist agricultural producers in taking actions that will provide long-term beneficial effects.

Agricultural producers are longtime stewards of America's working lands and the CSP supports this ongoing stewardship by providing financial and technical assistance for producers to maintain and enhance resources. The purpose of CSP is to:

- Identify and reward those farmers and ranchers meeting the very highest standards of conservation and environmental management on their operations,
- Create powerful incentives for other producers to meet those same standards of conservation performance on their operations, and
- Provide public benefits for generations to come.

CSP rewards those farmers and ranchers who reach the pinnacle of good land stewardship and encourages others to enhance the ongoing production of clean water and clean air on their farms and ranches. The program is available to all eligible producers on privately owned or Tribal lands in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Land and Participant Eligibility Requirements. The following are CSP land and participant eligibility requirements:

- The land must be privately owned or Tribal working land and the majority of the land must be located within one of the selected watersheds (forest land is not eligible).
- The applicant must be in compliance with highly erodible and wetland provisions of the Food Security Act of 1985, have an active interest in the agricultural operation, and have control of the land for the life of the contract.
- The applicant must share in the risk of producing any crop or livestock and be entitled to a share in the crop or livestock marketed from the operation.
- The applicant's average adjusted gross income for the preceding three years must be less than \$2.5 million unless 75 percent of that income is from farming, ranching, or forestry interest.

Natural Resource Emphasis and Three Tier Approach. The CSP emphasizes water quality and soil quality as nationally significant resource concerns because of the potential for significant environmental benefits from conservation treatment that improves their condition.

The CSP rewards three levels of conservation treatment. Tier I contract participants must have addressed water quality and soil quality resource concerns to the sustainable level of treatment on part of the participant's agricultural operation prior to application. Tier II contract participants must have addressed water quality and soil quality resource to the sustainable level of treatment on the entire agricultural operation prior to application. Tier II contract participants must also treat an additional significant resource

concern by the end of the contract period. For Tier III, the contract participants must have addressed all existing resource concerns to the sustainable level on their entire agricultural operation before application.

Participant's payments are determined by the tier of participation, conservation treatments completed and the acres enrolled:

- For Tier I (part of their agricultural operation), contracts are for 5 years; maximum payment is \$20,000 annually.
- For Tier II (all of their agricultural operation), contracts are for 5 to 10 years; maximum payment is \$35,000 annually.
- For Tier III (all of their agricultural operation), contracts are for 5 to 10 years; maximum payment is \$45,000 annually.

Priority Watershed Delivery. NRCS uses a watershed approach to deliver CSP to the farmers and ranchers of America's working agricultural lands. NRCS prioritizes watersheds based upon a nationally consistent process that uses existing natural resource, environmental quality, and agricultural activity data along with other information necessary to efficiently operate the program. Sign-ups for CSP participation are rotated between watersheds on an annual basis.

This priority watershed delivery approach reduces the administrative burden on applicants and minimizes the cost of processing a large number of applications that could not be funded. It also allows NRCS the flexibility to expand CSP as more program funds become available.

Program Sign-up. NRCS publishes a CSP sign-up notice for the selected priority watersheds with sufficient lead time for producers to consider the benefits of participation prior to the opening of the sign-up period. As a part of the public sign-up notice, the Chief of NRCS will announce information on program eligibility criteria; priority order of enrollment categories and subcategories for application approval; and the schedule and deadlines for the sign-up process.

Producer Self-Assessment. Using a self-assessment process, potential CSP participants complete an analysis and make a preliminary eligibility conclusion independent of NRCS. Using the results of the producer self-assessment process, NRCS determines whether the applicant, the land offered, and the level of historic conservation performance meet the requirements established for the sign-up.

Approval Process. The NRCS accepts and approves producer applications within the enrollment categories as outlined in the sign-up announcement and based on available funding. For approved applications, the NRCS or an approved Technical Service Provider (TSP) develops a conservation plan with the applicant. This plan forms the basis for the contract for conservation stewardship payments between the NRCS and the applicant. Once the parties approve the contract, the applicant becomes a CSP participant.

Technical and Financial Assistance to Participants. Technical assistance is available to CSP participants through the NRCS or an approved TSP. This technical assistance includes help to finalize the CSP application after producers have determined they meet CSP minimum requirements, to document a conservation stewardship plan, and to apply conservation treatment on their land. There are four components to CSP financial assistance payments:

- An annual stewardship component for the base level of conservation treatment,
- An annual existing practice component for the maintenance of existing conservation practices,
- An enhancement component for exceptional conservation effort and additional activities that provide increased resource benefits beyond the prescribed level, and
- A one-time new practice component for additional needed practices.

Selected Examples of Recent Progress

Since 2003, \$799.4 million of financial and technical assistance have been invested in nearly 19,400 CSP contracts to enhance environmental benefits on over 15.4 million acres.

With that investment, CSP has continued to pioneer the conservation efforts of producers and NRCS. Since its inception, CSP has been a significant contributor within the emerging areas of carbon and energy management. NRCS is providing payments for enhancement activities under the CSP to promote carbon sequestration, energy conservation, and the production and use of renewable fuels and electricity.

These exceptional conservation efforts include activities such as:

- Sequestration of greenhouse gases as measured by improvements to the soil conditioning index, which reflects soil organic matter levels;
- Generation of renewable energy;
- Use of renewable energy fuels like biodiesel and ethanol,
- Recycling of on-farm lubricants; and
- Reductions in soil tillage intensity ratings.

Since 2004, over 22.4 million collective acres of soil management activities have been applied to improve soil carbon levels, resulting in an increase of over 11 million tons of carbon sequestered. CSP activities resulted in significant reductions in on-farm energy use due to the implementation of 18.7 million collective acres of enhanced energy management activities.

PART Assessment. During 2006, a Program Assessment Rating Tool (PART) assessment resulted in a rating of “Results Not Demonstrated” For CSP. The assessment acknowledged that it is difficult to estimate the environmental benefits from CSP’s enhancement activities that provide incentives for producers to achieve benefits greater than the minimum standards. CSP rewards producers who already meet the minimum standards and provides them incentives to perform additional activities. CSP has not yet gathered data demonstrating the program’s effects on motivation. An analysis of the first year’s implementation identified situations where CSP stewardship payments replicated payments of other USDA programs.

As a result of the 2006 assessment, NRCS is improving the performance of this program under PART by taking the following action:

- Developing and implementing new systems to reduce the number of duplicative payments.
- Developing and implementing a five-year comprehensive budget and performance management strategy aligned with NRCS's strategic plan.
- Revising CSP's long-term and annual measures to adequately reflect PART guidance.

**COMMODITY CREDIT CORPORATION
AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM**

STATUS OF PROGRAM

Current Activities

Background. Section 524(b), Agricultural Management Assistance (AMA), authorized the Secretary of Agriculture to use \$10 million of Commodity Credit Corporation (CCC) funds for cost-share assistance in 10 to 15 States where participation in the Federal Crop Insurance Program is historically low. Section 524(b) of the Federal Crop Insurance Act, 7 U.S.C. 1524(b), was added by Title I, Section 133, of the Agricultural Risk Protection Act of 2000 (PL 106-224, June 22, 2000). Section 133 (Public Law 106-224, Section 524(b), was further amended by the Farm Security and Rural Investment Act of 2002, (Farm Bill), Public Law 107-171, May 13, 2002. This public law authorizes funding at \$20 million per year for AMA through Fiscal Year 2007.

Section 524(b)(2)(A), (B), and (C) provides for cost-share assistance to producers to construct or improve water management structures or irrigation structures; plant trees for windbreaks or improve water quality; and mitigate risks through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming. Section 524(b)(2)(D) and (E) provides for cost-share assistance to producers to enter into futures, hedging, or options contracts in a manner designed to help reduce production, price, or revenue risk; and enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk.

The Secretary designated 15 States to participate in AMA: Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. NRCS, Risk Management Agency, and Agricultural Marketing Service administer the AMA funds in amounts determined by the Secretary.

Program Design. NRCS developed the conservation provisions so the implementation would be flexible and allow States the opportunity to use the program to meet their resource needs. States individually determined the resource concerns to be addressed, eligible practices, and applicant ranking criteria, the ranking process, and cutoff dates for ranking applications. States are responsible for fund allocations within the State, payment methods, and public outreach and information activities. NRCS' decisions were based on consultation with State Technical Committees using a locally led process. The program does not have any buy-down provisions and payments can be made the first year of the contract. Participants may use AMA in conjunction with other USDA conservation programs.

Program Implementation. Participation in AMA is voluntary. Applicants are required to own or control the land, agree to implement specific eligible conservation practices, and to meet the Food Security Act 'person' definition. AMA implementation is based on a conservation plan that is the basis for developing the AMA contract. Participants enter into 3- to 10-year contracts to install the planned and needed conservation practices. Participants must agree to maintain cost-shared practices for the life of the practice. AMA's maximum cost share rate is 75 percent. Participants are allowed to contribute to the cost of a practice through in-kind contributions. Eligible in-kind contributions include personal labor, use of personal equipment, donated labor or materials, and on-hand or approved used materials.

Selected Examples of Recent Progress

In FY 2007, NRCS allocated \$5 million of CCC funds to the AMA states for technical assistance to accelerate implementation of approved prior year AMA contracts. Implementation of existing AMA contracts will continue for the next three to 10 fiscal years. Currently, there are 1,119 contracts in implementation. The continued backlog of applications indicates support among producers for AMA. The total application backlog is 263 applications covering 6,583 acres for about \$2,056,720.

NATURAL RESOURCES CONSERVATION SERVICE
Summary of Budget and Performance
Statement of Goals and Objectives

NRCS has six Strategic Goals and nine Objectives that contribute to one USDA Strategic Goal and four Strategic Objectives.

USDA Strategic Goal/Objective	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
USDA Strategic Goal 6: Protect and Enhance the Nation's Natural Resource Base and Environment USDA Strategic Objective 6.1: Protect Watershed Health to Ensure Clean and Abundant Water	Clean and Abundant Water	<i>Water Quality:</i> By 2010, agricultural producers will reduce potential delivery of sediment and nutrients from their operations.	CO (CTA, Plant Materials), EQIP, CSP, CRP, WRP	<i>Key Outcome 1 Water Quality:</i> The quality of the surface waters and groundwater is improved and maintained to protect human health, support a healthy environment, and encourage a productive landscape.
		<i>Water Quantity:</i> By 2010, conserve 8 million acre-feet of water.	CO (CTA, Snow Survey), EQIP, GSWC, CSP, Watershed Rehabilitation	<i>Key Outcome 2 Water Quantity:</i> Water is conserved and protected to ensure an abundant and reliable supply for the Nation.
	Working Farm and Ranch Lands	By 2010, 70 percent of farms and ranches protected under easements will remain in active agriculture.	FRPP	<i>Key Outcome 3 Working Farm and Ranch Lands:</i> Connected landscapes sustain a viable agricultural sector and natural resource quality.

USDA Strategic Goal/Objective	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
USDA Strategic Goal 6: Protect and Enhance the Nation's Natural Resource Base and Environment USDA Strategic Objective 6.2: Enhance Soil Quality to Maintain Productive Working Cropland	High-quality, Productive Soils	By 2010, farmers will manage 70 percent of cropland under systems that maintain or improve soil condition and increase soil carbon.	CO (CTA), Soil Survey, EQIP, CSP	<i>Key Outcome 4 High-quality, Productive Soils:</i> The quality of intensively used soils is maintained or enhanced to enable sustained production of a safe, healthy and abundant food supply.
	Clean Air	Under development	CO (CTA), EQIP, CSP	<i>Key Outcome 5 Clean Air:</i> Agriculture makes a positive contribution to local air quality and the Nation's efforts to sequester carbon.
	An Adequate Energy Supply	Under development	EQIP, CSP	<i>Key Outcome 6 An Adequate Energy Supply:</i> Agricultural activities conserve energy, and agricultural lands are a source of environmentally sustainable biofuels and renewable energy.

USDA Strategic Goal/Objective	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p>USDA Strategic Goal 6: Protect and Enhance the Nation's Natural Resource Base and Environment</p> <p>USDA Strategic Objective 6.3: Protect Forests and Grazing Lands</p>	<p>Healthy Plant and Animal Communities</p>	<p>By 2010, farmers, ranchers, and private non-industrial forest owners will apply management that will maintain or improve long-term vegetative condition on 150 million acres of grazing and forest land.</p>	<p>CO (CTA), EQIP, CSP, FRPP</p>	<p><i>Key Outcome 7</i> <i>Grassland, Rangeland And Forest Ecosystems:</i> Grassland, rangeland and forest ecosystems are productive, diverse, and resilient.</p>
<p>USDA Strategic Goal 6: Protect and Enhance the Nation's Natural Resource Base and Environment</p> <p>USDA Strategic Objective 6.4: Protect and Enhance Wildlife Habitat to Benefit Desired, At-Risk and Declining Species</p>	<p>Healthy Plant and Animal Communities</p>	<p><i>Fish and Wildlife Habitat:</i> By 2010, an additional 9 million acres of essential habitat will be improved and managed to benefit at-risk and declining species.</p>	<p>CO (CTA), CSP, WRP, EQIP, CRP</p>	<p><i>Key Outcome 8</i> <i>Fish and Wildlife Habitat:</i> Working lands and waters provide habitat for diverse and healthy wildlife, aquatic species, and plant communities.</p>
		<p><i>Wetlands:</i> By 2010, resource managers will create, restore, or enhance 1.5 million acres of wetlands on non-Federal lands.</p>	<p>CO (CTA), WRP, CRP</p>	<p><i>Key Outcome 9</i> <i>Wetlands:</i> Wetlands provide quality habitat for migratory birds and other wildlife, protect water quality, and reduce flood damages.</p>

NATURAL RESOURCES CONSERVATION SERVICE

STRATEGIC OBJECTIVE 6.1: Protect Watershed Health to Ensure Clean and Abundant Water**STRATEGIC OBJECTIVE 6.2:** Enhance Soil Quality to Maintain Productive Working Cropland**STRATEGIC OBJECTIVE 6.3:** Protect Forests and Grazing Land**STRATEGIC OBJECTIVE 6.4:** Protect and Enhance Wildlife Habitat to Benefit Desired, At-Risk and Declining Species**Strategic Objective and Funding Matrix**
(On basis of appropriation)

	<u>2007 Actual</u>		<u>2008 Budget</u>		Increase or Decrease	<u>2009 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
Strategic Objective 6.1:							
Conservation Technical Assistance	\$229,073,000	2,084	\$252,642,000	2,161	-\$14,357,000	\$238,285,000	1,933
Snow Survey and Water Supply Forecasting	10,586,000	71	10,685,000	71	121,000	10,806,000	68
Plant Materials Program	10,495,000	98	10,782,000	93	146,000	10,928,000	85
Watershed Surveys and Planning	6,056,170	41	0	0	0	0	0
Flood Prevention Operations P.L.-534							
1. Technical Assistance	578,414	14	578,800	7	-578,800	0	0
2. Financial Assistance	1,589,426	0	4,368,200	0	-4,368,200	0	0
Subtotal, P.L.-534	2,167,840	14	4,947,000	7	-4,947,000	0	0
Watershed Operations P.L.-566							
1. Technical Assistance	4,756,505	125	8,272,900	105	-8,272,900	0	0
2. Financial Assistance	1,950,613	0	16,570,100	0	-16,570,100	0	0
Subtotal, P.L.-566	6,707,118	125	24,843,000	105	-24,843,000	0	0
Emergency Watershed Protection Program							
1. Technical Assistance	1,782,000	213	0	275	0	0	0
2. Financial Assistance	8,910,000	0	0	0	0	0	0
Subtotal, EWP	10,692,000	213	0	275	0	0	0
Watershed Rehabilitation							
1. Technical Assistance	17,025,000	113	7,294,000	48	-1,374,000	5,920,000	34
2. Financial Assistance	14,284,390	0	12,566,000	0	-12,566,000	0	0
Subtotal, Rehabilitation	31,309,390	113	19,860,000	48	-13,940,000	5,920,000	34
Resource Conservation and Development	51,088,000	453	50,730,000	437	-50,730,000	0	0
Environmental Quality Incentives Program	595,710,584	1,303	600,000,000	1,578	30,000,000	630,000,000	1,657
Ground & Surface Water	69,729,804	161	60,000,000	139	0	60,000,000	139
Klamath Basin	8,284,278	20	0	0	0	0	0
Conservation Security Program	147,178,845	100	190,876,000	130	-10,876,000	180,000,000	122
Agricultural Management Assistance	4,558,928	27	10,000,000	20	-10,000,000	0	0
Farm and Ranch Lands Protection Program	73,082,551	24	97,000,000	32	0	97,000,000	32
Conservation Reserve Program Technical Asst.	56,446,618	565	42,000,000	335	16,800,000	58,800,000	588
Subtotal, Strategic Objective 6.1	1,313,166,126	5,412	1,374,365,000	5,431	-82,626,000	1,291,739,000	4,658

	<u>2007 Actual</u>		<u>2008 Budget</u>		Increase or <u>Decrease</u>	<u>2009 Estimated</u>		
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>	
<u>Strategic Objective 6.2:</u>								
Conservation Technical Assistance	196,349,000	1,787	216,550,000	1,855	-12,306,000	204,244,000	1,658	
Soil Survey	87,782,000	756	90,715,000	749	1,514,000	92,229,000	726	
Environmental Quality Incentives Program	198,570,195	434	200,000,000	526	10,000,000	210,000,000	552	
Conservation Security Program	73,589,423	50	95,438,000	65	-5,438,000	90,000,000	61	
Subtotal, Strategic Objective 6.2	556,290,618	3,027	602,703,000	3,195	-6,230,000	596,473,000	2,997	
<u>Strategic Objective 6.3:</u>								
Conservation Technical Assistance	130,900,000	1,191	144,365,000	1,237	-8,204,000	136,161,000	1,105	
Environmental Quality Incentives Program	148,927,646	326	150,000,000	395	7,500,000	157,500,000	414	
Conservation Security Program	73,589,423	50	95,438,000	65	-5,438,000	90,000,000	61	
Grasslands Reserve Program	12,987,543	21	0	0	0	0	0	
Subtotal, Strategic Objective 6.3	366,404,612	1,588	389,803,000	1,697	-6,142,000	383,661,000	1,580	
<u>Strategic Objective 6.4:</u>								
Conservation Technical Assistance	98,175,000	893	108,274,000	928	-6,154,000	102,120,000	829	
Healthy Forests Reserve Program	2,476,000	1	1,986,000	1	-1,986,000	0	0	
Wetlands Reserve Program	247,854,695	190	455,000,000	326	-273,521,000	181,479,000	130	
Environmental Quality Incentives Program	49,642,549	109	50,000,000	132	2,500,000	52,500,000	138	
Wildlife Habitat Incentives Program	42,457,628	77	85,000,000	154	-85,000,000	0	0	
Conservation Reserve Program Technical Asst.	24,191,408	242	18,000,000	143	7,200,000	25,200,000	252	
Subtotal, Strategic Objective 6.4	464,797,280	1,512	718,260,000	1,684	-356,961,000	361,299,000	1,349	
Total, Available	2,700,658,636	11,539	3,085,131,000	12,007	-451,959,000	2,633,172,000	10,584	

Selected Accomplishments Expected at the FY 2009 Proposed Resource Level

Key Outcome 1 — Water Quality: The quality of surface waters and groundwater is improved and maintained to protect human health, support a healthy environment, and encourage productive landscape.

Program	Performance Measure	FY 2008 Target	FY 2009 Target
CO-CTA	Comprehensive Nutrient Management Plans applied, number	1,550	1,400
CO-CTA	Watershed or area-wide plans developed	200	200
CO-Plant Materials	Plant materials technical documents written and released to the public	400	375
EQIP	Comprehensive Nutrient Management Plans applied, number	2,300	2,300
Watershed Rehabilitation	Dams rehabilitated or removed, number	2	2

Key Outcome 2 — Water Quantity: Water is conserved and protected to ensure an abundant and reliable supply for the Nation.

Program	Performance Measure	FY 2008 Target	FY 2009 Target
CO-CTA	Land with conservation applied to improve irrigation efficiency, acres	650,000	600,000
CSP	Land with conservation applied to improve irrigation efficiency, acres	30,000	30,000
EQIP	Land with conservation applied to improve irrigation efficiency, acres	700,000	725,000
GSWC	Land with conservation applied to improve irrigation efficiency, acres	200,000	200,000

Key Outcome 3 — Working Farm and Ranch Lands: Connected landscapes sustain a viable agricultural sector and natural resource quality.

Program	Performance Measure	FY 2008 Target	FY 2009 Target
FRPP	Prime, unique or important farmland protected from conversion to non-agricultural uses by conservation easements, acres	30,000	30,000

Key Outcome 4 — High Quality, Productive Soils: The quality of intensively used soils is maintained or enhanced to enable sustained production of a safe, healthy and abundant food supply.

Program	Performance Measure	FY 2008 Target	FY 2009 Target
CO-Soil Survey	Soil surveys mapped or updated, million acres	32.5	32.5
EQIP	Working cropland with improved soil condition, million acres	5.5	5.7
CSP	Millions of acres of agricultural land with enhancement activities applied to increase soil quality	1.4	1.4

Key Outcome 5 — Clean Air: Agriculture makes a positive contribution to local air quality and the Nation's efforts to sequester carbon.

NRCS will continue to provide technical assistance, technology, and tools to producers to address six quality and atmospheric change concerns: particulate matter (including coarse and fine particles, smoke, dust, and off-site effects from wind erosion), ozone precursors, odor, chemical drift, ammonia, and

greenhouse gases and carbon sequestration. Requests for assistance on these issues are expected to increase.

Key Outcome 6 — An Adequate Energy Supply: Agricultural activities conserve energy and agricultural lands are a source of environmentally sustainable biofuels and renewable energy.

As in 2006, the CSP will offer enhancement payments as incentives to reward or encourage on-farm energy conservation and management. The enhancements are available once the applicant qualifies for CSP by meeting the program's entry requirements for soil and water quality. CSP will encourage farmers and ranchers to implement new methods to recycle waste lubricants in their operations, reduce the use of fossil fuels, and reduce impacts on the environment from the use of energy. EQIP will provide cost-shares for practices that reduce on-farm energy costs and methane emissions. The Agency will continue to increase energy efficiency in the operation of its own fleet and facilities.

Key Outcome 7 — Grassland, Rangeland, and Forest Ecosystems: Grassland, rangeland and forest ecosystems are productive, diverse, and resilient.

Program	Performance Measure	FY 2008 Target	FY 2009 Target
CO-CTA	Millions of acres of grazing lands with conservation applied to protect the resource base	12.0	11.0
EQIP	Grazing and forest land with conservation applied to protect and improve the resource base	12.3	13.0

Key Outcome 8 — Fish and Wildlife Habitat: Working lands and waters provide habitat for diverse and healthy wildlife, aquatic species, and plant communities.

Program	Performance Measure	FY 2008 Target	FY 2009 Target
WHIP	Acres of nonfederal land managed for the protection and enhancement of habitat for species with declining populations, million acres	0.20	0.27

Key Outcome 9 — Wetlands: Wetlands provide quality habitat for migratory birds and other wildlife, protect water quality, and reduce flood damage.

Program	Performance Measure	FY 2008 Target	FY 2009 Target
CO-CTA	Wetlands created, restored or enhanced, acres	51,300	51,300
WRP	Wetlands created, restored or enhanced, acres	100,000	125,000
WRP	Farmland, forest land, and wetlands protected by conservation easements	75,000	125,000

NATURAL RESOURCES CONSERVATION SERVICE
Summary of Budget and Performance
Key Performance Outcomes and Measures

Goal: Clean and Abundant Water

Key Outcome 1 — Water Quality: The quality of surface waters and groundwater is improved and maintained to protect human health, support a healthy environment, and encourage a productive landscape.

Water running off or infiltrating the ground from agricultural operations can carry a number of potential pollutants into streams, lakes, groundwater, and estuaries. States and Tribes have identified sediment and nutrients as the most extensive agricultural contaminants affecting surface water quality; nutrients and agrichemicals are the major concerns for groundwater. NRCS sets long-term targets for reducing the potential of sediment and nutrients to move from agricultural operations. Long-term measures are supported by annual measures for application of conservation practices that reduce erosion and runoff and movement of nutrients.

Long-term Performance Measures:

- Reduce potential sediment delivery from agricultural operations.
Target: In 2010, potential sediment delivery from agricultural operations will be reduced by 70 million tons.
Baseline: In FY 2003, potential sediment delivery from agricultural operations was 970 million tons.
- Reduce potential nitrogen delivery from agricultural operations.
Target: In 2010, potential delivery of nitrogen from agricultural operations will be reduced by 375,000 tons.
Baseline: In FY 2003, potential annual nitrogen delivery from agricultural operations was an estimated 6 million tons.
- Reduce potential phosphorus delivery from agricultural operations.
Target: In 2010, potential delivery of phosphorus from agricultural operations will be reduced by 70,000 tons.
Baseline: In FY 2003, potential annual phosphorus delivery from agricultural operations was an estimated 360,000 tons.

Key Annual Performance Targets:

Performance Measure	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Target	2009 Target
Comprehensive Nutrient Management Plans applied, number						
CTA	2,372	2,421	2,269	1,911	1,550	1,400
EQIP	1,055	2,032	2,774	2,490	2,300	2,300
Watershed or area-wide conservation plans developed, number	NA	304	246	220	200	200
Plant materials technical documents written and released to the public, number	124	231	427	459	400	375
Dams rehabilitated or removed, number	20	11	4	13	2	2

Description of annual performance measures:

- Comprehensive Nutrient Management Plans applied. A CNMP identifies management and conservation actions that will be followed to meet clearly defined soil and water conservation goals, including nutrient management on an animal feeding operation. A CNMP incorporates practices to utilize animal manure and organic by-products as a beneficial resource. CNMPs enable producers to manage collection, storage, and disposal of animal wastes in ways that minimize the potential for damage to the environment.
- Watershed or area-wide conservation plans developed. Many natural resource concerns, such as water quality, can be addressed best by planning for large areas of the landscape. NRCS helps people in communities work together to protect their shared environment. Watershed and area-wide plans consider all resource issues within the area and are designed to protect the environment while meeting the varied needs of all the members of the community.
- Plant materials technical documents written and released to the public. Plants and plant technologies are important tools to meet evolving natural resource conservation needs. This measure tracks the number of technical documents that are developed and made available to internal and external customers to enable effective use of plants developed by NRCS.
- Dams rehabilitated or removed. Local communities, with NRCS assistance, have constructed over 11,000 dams in 47 states since 1948. Many of these dams are nearing the end of their 50-year design life. Rehabilitation of these dams is needed to address critical public health and safety issues.

Key Outcome 2 — Water Quantity: Water is conserved and protected to ensure an abundant and reliable supply for the Nation.

Agriculture is one of the largest users of the Nation’s surface water and groundwater, with irrigation being the greatest use. In arid and semi-arid areas, crop production depends almost entirely on irrigation. Competition for water in these areas is increasing as a result of increased human populations. In recent years, irrigation has been increasing in eastern States, resulting in increased competition there also. NRCS has set a long-term target for the conservation of water in the period 2006-2010. The long-term measure is supported by an annual measure for application of practices that improve the management of irrigation water.

Long-term Performance Measures:

Target: By 2010, conserve 8 million acre-feet of water.

Baseline: In 2005, an estimated 2.5 million acre-feet of water were conserved.

Key Annual Performance Targets:

Performance Measure	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Target	2009 Target
Land with conservation applied to improve irrigation efficiency, acres						
CTA	NA ¹	595,050	678,149	828,246	650,000	600,000
EQIP	485,825	701,497	758,923	883,033	700,000	725,000
GSWC	NA ¹	353,554	407,885	359,231	200,000	200,000
CSP	100,000	1,300,000	270,000	32,000	30,000	30,000

¹ Performance data for this measure are not available prior to FY2005.

Description of annual performance measures:

- Land with conservation applied to improve irrigation efficiency. Irrigation makes a significant contribution to the United States farm economy. Improvements in irrigation water management can help to maintain the viability of the irrigated agricultural sector and help to protect water quality. This

indicator reports the adoption of improved technology to replace older methods and other improvements to existing systems.

Key Outcome 3 - Working Farm and Ranch Lands: Connected landscapes sustain a viable agriculture sector and natural resource quality.

Conversion of cropland, grazing land and forest land to other uses can fragment landscapes and diminish their value for agricultural and forestry uses, water management, wildlife habitat and aesthetic purposes. The rate of development has accelerated. As predominantly agricultural watersheds shift toward mixed urban and suburban landscapes, land values escalate and agricultural viability diminishes. NRCS assists with preserving agricultural watersheds by providing land use planning to local communities and organizations, acquiring easements on agricultural land, and developing educational tools to help producers maintain economic viability. The long term performance measure encourages agricultural viability by measuring the amount of prime, unique, and important farmland protected by conservation easements.

Long-Term Performance Measures

Target: In 2010, 70 percent of farms and ranches protected under easements will remain in active agriculture.

Baseline: In 2005, 97 percent of farms and ranches protected under easements were in active agriculture.

Key Annual Performance Targets:

Performance Measure	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Target	2009 Target
Prime, unique or important farmland protected from conversion to non-agricultural uses by conservation easements, acres	40,508	55,253	46,909	38,495	30,000	30,000

Description of annual performance measures:

- Prime, unique or important farmland protected from conversion to non-agricultural uses by conservation easements, acres. Prime, unique and important farmlands are those that have the best combination of physical and chemical characteristics for producing food, feed, fiber, forage, or oil seed crops. This measure documents the cumulative acreage of prime, unique and important farmlands that are permanently protected from conversion to non-agricultural uses. This measure reports on acres of prime, unique and important soils protected by permanent easements annually registered at the courthouse.

Key Outcome 4 — High-quality, Productive Soils: The quality of intensively used soils is maintained or enhanced to enable sustained production of a safe, healthy and abundant food supply.

Soil quality describes the capacity of a soil to sustain plant and animal productivity, maintain or enhance water and air quality, and support human health and habitation. High-quality soils are the foundation of productive croplands, forest lands, and grasslands and a vibrant and productive agriculture. NRCS provides landowners and land users with assistance in adopting environmentally sound management practices. NRCS provides information on soil quality, plant materials, resource management and provides assistance in using the information to implement sustainable production techniques and new technologies. Land managers who receive NRCS technical assistance are more likely to plan, apply, and maintain conservation systems that support agricultural production and environmental quality as compatible goals.

Long-term Performance Measures:

Target: In 2010, farmers will manage 70 percent of cropland under systems that maintain or improve soil condition and increase soil carbon.

Baseline: In 2003, 60 percent of cropland was farmed under systems that maintained or improved soil condition and increased soil carbon.

Key Annual Performance Targets:

Performance Measure	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Target	2009 Target
Cropland with conservation applied to improve soil quality, million acres EQIP	1.5	2.2	3.4	5.3	5.5	5.7
Millions of acres of agricultural land with enhancement activities applied to increase soil quality CSP	1.3	7.2	1.4	0	1.4 ¹	1.4 ¹
Millions of acres of soil surveys mapped or updated CTA	27.6	32	35.5	36.4	32.5	32.5

¹ Subject to availability of funds for program sign-ups.

Description of annual performance measures:

- Working cropland with improved soil condition, million acres. Controlling erosion, minimizing soil disturbance and compaction, and managing plants and soil organic matter are all essential to maximizing soil quality and function for agricultural and environmental benefits. This measure captures the increase in cropland acres on which soil organic matter is increasing, as measured by the Soil Conditioning Index.
- Millions of acres of agricultural land with enhancement activities applied to increase soil quality. Cumulative number of acres with enhancements applied to increase soil quality as measured in millions of acres.
- Millions of acres of soil surveys mapped or updated. NRCS technical standards for soil science and soil surveys are recognized world-wide. Information provided in soil surveys help scientists and policy makers make informed decisions. This measure tracks acres of soils mapped and updated by NRCS and partners in a number of land categories (private, Tribal lands, federal lands).

Key Outcome 5 — Clean Air: Agriculture makes a positive contribution to local air quality and the Nations efforts to sequester carbon.

The quality of air affects every component of the natural system: soil, water, plants, animals, and people. As air quality and atmospheric change concerns increase, NRCS anticipates an expanded conservation focus on these issues. Many practices that protect soil and water also protect air quality and store carbon. NRCS is revising and adapting conservation standards and specifications to better address air issues. NRCS will acquire and develop needed resource data and technology and encourage accelerated adoption of practices to address air quality and green house gas emissions.

Long-Term Performance Measures

Target: To be established.

Baseline: To be determined.

Key Outcome 6 — An Adequate Energy Supply: Agriculture activities conserve energy and agricultural lands are a source of environmentally sustainable biofuels and renewable energy.

Increasing demand and the reliability, affordability, and sustainability of energy supplies will continue to be a concern. Agriculture's long-term energy strategy will include efforts to reduce demand through energy conservation and to develop alternative renewable energy supplies and technologies. Although NRCS has not yet quantified a long-term goal for its activities addressing energy concerns, the Agency assists with energy issues by cooperating in the development of information and technology to promote energy management, integrate energy concerns into our planning assistance and programs, and encourage increased use of biofuels.

Long-Term Performance Measures:

Target: To be established.

Baseline: To be determined.

Key Outcome 7 — Grassland, Rangeland and Forest Ecosystems: Grassland, rangeland and forest ecosystems are productive, diverse, and resilient.

Healthy, vigorous plant communities on rangeland, native and naturalized pasture, and forest lands protect soil quality, prevent soil erosion, provide sustainable forage and cover for livestock and wildlife, provide fiber, improve water quality, provide diverse habitat for wildlife, and sequester carbon. Sustaining healthy grassland, rangeland, and forest ecosystems is achieved by focusing on interacting relationships between plant and animal species within a given ecosystem. NRCS provides data and technical and financial assistance to people interested in creating, restoring, protecting and enhancing grassland, rangeland, and forest lands.

Long-Term Performance Measures:

Target: By 2010, farmers, ranchers, and private non-industrial forest landowners will apply management that will maintain or improve long-term vegetative condition on 150 million acres of grazing and forest land.

Baseline: In 1999, about 500 million acres of non-Federal grazing land and non-industrial forest were considered to be in minimal or degrading vegetative condition.

Performance Measure	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Target	2009 Target
Millions of acres of grazing lands with conservation applied to protect the resource base CTA	9.7	9.9	11.7	13.5	12.0	11.0
Grazing and forest land with conservation applied to protect and improve the resource base, million acres EQIP	5.1	8.0	12.2	16.5	12.3	13.0

Description of annual performance measures:

- Millions of acres of grazing lands with conservation applied to protect the resource base. Millions of acres of grazing lands with conservation practices applied to protect the resource base.
- Grazing land and forest land with conservation applied to protect and improve the resource base. This measure includes land on which a conservation system or practice is applied with NRCS technical assistance and/or financial assistance. The conservation applied includes a wide range of practices

tailored to the resource conditions and producer's operation and goals on the specific site. The conservation practices applied help to protect the resource base against damage on-site and off-site.

Key Outcome 8 — Fish and Wildlife Habitat: Working lands and waters provide habitat for diverse and healthy wildlife, aquatic species, and plant communities.

Privately-owned and other non-Federal lands provide habitat for much of the Nation's wildlife. Protecting specific ecosystems and landscapes — including wetlands, grasslands, floodplains, and certain types of forests — can help support wildlife and aquatic species and provide benefits in the form of recreation, hunting, and other forms of agri-tourism. NRCS provides technical and financial assistance to maintain and enhance fish and wildlife habitat on non-Federal lands.

Long-Term Performance Measures:

Target: By 2010, an additional 9 million acres of essential habitat will be improved and managed to benefit at-risk and declining species.

Baseline: In 2005, NRCS helped farmers and ranchers improve habitat for declining and at-risk species on 2 million acres

Performance Measure	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Target	2009 Target
Acres of nonfederal land managed for the protection and enhancement of habitat for species with declining populations, million acres WHIP	0.05	0.20	0.20	0.15	0.20	0.27

Description of annual performance measures:

- Acres of nonfederal land managed for the protection and enhancement of habitat for species with declining populations. The rural landscape provides critical habitat, food and safety for much of the Nation's wildlife. Many of the conservation practices that farmers and ranchers apply to cropland and grazing land improve the habitat those lands provide for wildlife. The measure is acres of nonfederal land actively managed with qualifying conservation practices to protect and enhance habitat for species with declining populations.

Key Outcome 9 — Wetlands: Wetlands provide quality habitat for migratory birds and other wildlife, protect water quality, and reduce flood damage.

Wetlands provide wildlife habitat, protect and improve water quality, attenuate water flows due to flooding, and recharge ground water. In 2004, the President set a national goal to restore, create, enhance, and protect 3 million acres of wetlands by 2010. NRCS will assist in meeting this goal by supporting voluntary incentive-based approaches to wetland restoration, making wetland determinations, and conducting wetland compliance reviews.

Long-Term Performance Measures:

Target: By 2010, resource managers will create, restore, or enhance 1.5 million acres of wetlands on non-Federal lands.

Baseline: In 2003, there were 111 million wetland acres on non-Federal lands in the contiguous United States.

Performance Measure	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Target	2009 Target
Wetlands created, restored or enhanced, acres						
CTA	59,293	53,498	65,345	62,093	51,300	51,300
WRP	123,363	180,358	181,979	149,326	100,000	125,000
Farmland, forest land, and wetlands protected by conservation easements, acres						
WRP	52,800	131,800	114,193	74,509	75,000	125,000

Description of annual performance measures:

- Wetlands created, restored or enhanced. Wetlands provide fish and wildlife habitat, reduce flooding, recharge groundwater, protect biological diversity, and improve water quality by filtering sediments and chemicals. This measure reports acres on which conservation practices have been applied to meet criteria in local field office technical guides. It includes only acres on which conservation was completed in a given fiscal year. It includes the wetland acres treated but not any associated upland acres treated or placed under easement to protect the wetland itself. It is, therefore, a more precise measure of changes in wetlands acreage than measures that include wetlands and associated uplands.
- Farmland, forest land, and wetlands protected by conservation easements. This measure reports on acres enrolled under permanent and 30-year easements registered at the courthouse during the specified fiscal year. This measure reflects wetland acreage only; however WRP protects these wetlands by also placing associated upland acreage under easement.

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.1: Protect Watershed Health to Ensure Clean and Abundant Water

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Conservation Technical Assistance				
	Conservation Planning and Technical Consultation	\$84,042	\$92,689	\$87,422
	Conservation Implementation	40,272	44,416	41,891
	Natural Resource Inventory and Assessment	2,697	2,975	2,806
	Natural Resource Technology Transfer	29,812	32,879	31,011
	Indirect Costs	72,250	79,683	75,155
	Total Costs	229,073	252,642	238,285
	FTEs	2,084	2,161	1,933
	Performance measure: Comprehensive nutrient management plans applied			
	Performance, number	1,911	1,550	1,400
	Performance measure: Land with conservation applied to improve irrigation efficiency			
	Performance, acres	828,246	650,000	600,000
	Performance measure: Watershed or area-wide conservation plans developed for water or air quality			
	Performance, number	220	200	200
Snow Survey & Water Supply Forecasting				
	Natural Resource Inventory and Assessment	\$7,231	\$7,299	\$7,382
	Indirect Costs	3,355	3,386	3,424
	Total Costs	10,586	10,685	10,806
	FTEs	71	71	68
	Performance measure: Water supply forecasts issued			
	Performance, number	12,141	11,400	11,400
	Performance measure: Water supply forecast accuracy			
	Performance, index	0.54	0.58	0.60
Plant Materials Centers				
	Natural Resource Inventory and Assessment	\$7,524	\$7,729	\$7,834
	Natural Resource Technology Transfer	2,209	2,270	2,301
	Indirect Costs	762	783	793
	Total Costs	10,495	10,782	10,928
	FTEs	98	93	85
	Performance measure: New plant materials released to commercial growers			
	Performance, number	21	15	15
	Performance measure: Plant materials technical documents written and released to the public			
	Performance, number	459	400	375

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.1: Protect Watershed Health to Ensure Clean and Abundant Water

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Emergency Watershed Protection Program				
	Conservation Implementation	\$907	0	0
	Financial Assistance - Program Administration	452	0	0
	Financial Assistance - Cost Share & Monetary Incentives	8,910	0	0
	Indirect Costs	423	0	0
	Total Costs	10,692	0	0
	FTEs	213	275	0
Watershed Rehabilitation Program				
	Conservation Planning and Technical Consultation	\$2,573	\$1,103	\$895
	Conservation Implementation	2,799	1,199	973
	Financial Assistance - Program Administration	1,193	511	415
	Financial Assistance - Cost Share & Monetary Incentives	14,284	12,566	0
	Indirect Costs	10,460	4,481	3,637
	Total Costs	31,309	19,860	5,920
	FTEs	113	48	34
	Performance measure: Unsafe dams rehabilitated or removed			
	Performance, number	13	2	2
Resource Conservation & Development				
	Conservation Planning and Technical Consultation	\$27,693	\$27,499	0
	Conservation Implementation	21,495	21,344	0
	Indirect Costs	1,900	1,887	0
	Total Costs	51,088	50,730	0
	FTEs	453	437	0
	Performance measure: Watershed or area-wide conservation plans developed			
	Performance, number	680	500	0
Discretionary Total for Strategic Objective 6.1				
	Total Costs	\$358,174	\$374,489	\$265,939
	FTEs	3,212	3,197	2,120
Environmental Quality Incentives Program				
	Conservation Planning and Technical Consultation	\$16,757	\$20,817	\$21,859
	Conservation Implementation	71,502	88,828	93,269
	Financial Assistance - Program Administration	48,091	59,744	62,731
	Financial Assistance - Cost Share & Monetary Incentives	450,084	419,087	440,041
	Indirect Costs	9,276	11,524	12,100
	Total Costs	595,710	600,000	630,000
	FTEs	1,303	1,578	1,657
	Performance measure: Comprehensive nutrient management plans applied			
	Performance, number	2,490	2,300	2,300
	Performance measure: Land with conservation applied to improve irrigation efficiency			
	Performance, acres	883,033	700,000	725,000

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.1: Protect Watershed Health to Ensure Clean and Abundant Water

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Ground & Surface Water Conservation				
	Conservation Planning and Technical Consultation	\$1,815	\$1,562	\$1,562
	Conservation Implementation	9,820	8,450	8,450
	Financial Assistance - Program Administration	6,004	5,167	5,167
	Financial Assistance-Cost Share & Monetary Incentives	50,677	43,605	43,605
	Indirect Costs	1,414	1,216	1,216
	Total Costs	69,730	60,000	60,000
	FTEs	161	139	139
	Performance measure: Land with conservation applied to improve irrigation efficiency			
	Performance, acres	359,231	200,000	200,000
Klamath Basin				
	Conservation Planning and Technical Consultation	\$294	0	0
	Conservation Implementation	820	0	0
	Financial Assistance - Program Administration	1,019	0	0
	Financial Assistance-Cost Share & Monetary Incentives	5,959	0	0
	Indirect Costs	192	0	0
	Total Costs	8,284	0	0
	FTEs	20	0	0
	Performance measure: Land with conservation applied to improve irrigation efficiency			
	Performance, acres	29,953	0	0
Conservation Security Program				
	Conservation Planning and Technical Consultation	\$1,017	\$2,247	\$2,119
	Conservation Implementation	1,174	2,596	2,448
	Financial Assistance - Program Administration	8,602	19,012	17,930
	Financial Assistance - Cost Share & Monetary Incentives	134,225	162,245	153,000
	Indirect Costs	2,161	4,776	4,503
	Total Costs	147,179	190,876	180,000
	FTEs	100	130	122
	Performance measure: Land with conservation applied to improve irrigation efficiency			
	Performance, acres	32,000	30,000	30,000
Agricultural Management Assistance				
	Conservation Planning and Technical Consultation	\$458	\$231	0
	Conservation Implementation	2,386	1,204	0
	Financial Assistance - Program Administration	940	474	0
	Financial Assistance-Cost Share & Monetary Incentives	0	7,700	0
	Indirect Costs	775	391	0
	Total Costs	4,559	10,000	0
	FTEs	27	20	0
	Performance measure: Land with conservation applied to improve irrigation efficiency			
	Performance, acres	11,622	8,000	0

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.1: Protect Watershed Health to Ensure Clean and Abundant Water

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Watershed Surveys & Planning				
	Conservation Planning and Technical Consultation	\$1,206	0	0
	Natural Resource Inventory and Assessment	97	0	0
	Indirect Costs	4,753	0	0
	Total Costs	6,056	0	0
	FTEs	41	0	0
	Performance measure: Watershed or area-wide conservation plans developed			
	Performance, number	12	0	0
Flood Prevention Operations P.L. 534				
	Conservation Planning and Technical Consultation	\$85	\$85	0
	Conservation Implementation	303	303	0
	Financial Assistance - Program Administration	19	19	0
	Financial Assistance - Cost Share & Monetary Incentives	1,589	4,368	0
	Indirect Costs	172	172	0
	Total Costs	2,168	4,947	0
	FTEs	14	7	0
	Performance measure: Long-term contracts completed during the fiscal year (all measures installed) for the purpose of water quality improvement			
	Performance, number	126	9	0
	Performance measure: Flood prevention or mitigation measures installed, including structures, easements, and other measures			
	Performance, number	2	0	0
Watershed Operations P.L. 566				
	Conservation Planning and Technical Consultation	\$686	\$1,194	0
	Conservation Implementation	2,211	3,846	0.27
	Financial Assistance - Program Administration	252	438	0
	Financial Assistance - Cost Share & Monetary Incentives	1,951	16,570	0
	Indirect Costs	1,607	2,795	0
	Total Costs	6,707	24,843	0
	FTEs	125	105	0
	Performance measure: Long-term contracts completed during the fiscal year (all measures installed) for the purpose of water quality improvement			
	Performance, number	438	193	0
	Performance measure: Flood prevention or mitigation measures installed, including structures, easements, and other measures			
	Performance, number	106	17	0

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.1: Protect Watershed Health to Ensure Clean and Abundant Water

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Farm and Ranch Lands Protection Program				
	Financial Assistance - Program Administration	\$958	\$1,272	\$1,272
	Financial Assistance-Cost Share & Monetary Incentives	69,940	92,828	92,828
	Indirect Costs	2,185	2,900	2,900
	Total Costs	73,083	97,000	97,000
	FTEs	24	32	32
	Performance measure: Prime, unique, and important farmland protected			
	Performance, acres enrolled	38,495	30,000	30,000
Conservation Reserve Program				
	Conservation Planning and Technical Consultation	\$15,094	\$11,230	\$15,723
	Conservation Implementation	21,854	16,261	22,765
	Financial Assistance - Program Administration	18,099	13,467	18,854
	Financial Assistance - Cost Share & Monetary Incentives	0	0	0
	Indirect Costs	1,400	1,042	1,458
	Total Costs	56,447	42,000	58,800
	FTEs	565	335	588
Mandatory Total for Strategic Objective 6.1				
	Total Costs	\$954,992	\$999,876	\$1,025,800
	FTEs	2,200	2,234	2,538
Total for Strategic Objective 6.1				
	Total Costs	\$1,313,166	\$1,374,365	\$1,291,739
	FTEs	5,412	5,431	4,658

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.2: Enhance Soil Quality to Maintain Productive Working Cropland

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Conservation Technical Assistance				
	Conservation Planning and Technical Consultation	\$72,036	\$79,447	\$74,933
	Conservation Implementation	34,519	38,071	35,907
	Natural Resource Inventory and Assessment	2,312	2,550	2,405
	Natural Resource Technology Transfer	25,553	28,182	26,581
	Indirect Costs	61,929	68,300	64,418
	Total Costs	196,349	216,550	204,244
	FTEs	1,787	1,855	1,658
	Performance measure: Cropland soils with erosion reduced to "T" (the tolerable rate of soil erosion) or below			
	Performance, million acres	3.9	NA	NA
	Performance measure: Cropland with conservation applied to improve soil quality			
	Performance, million acres	7.3	7.0	6.5
Soil Survey				
	Natural Resource Inventory and Assessment	\$48,391	\$50,008	\$50,843
	Natural Resource Technology Transfer	10,081	10,417	10,591
	Indirect Costs	29,310	30,290	30,795
	Total Costs	87,782	90,715	92,229
	FTEs	756	749	726
	Performance measure: New or updated web soil surveys			
	Performance, number	105	30	25
	Performance measure: Soil surveys mapped or updated			
	Performance: million acres	36.4	32.5	32.5
Discretionary Total for Strategic Objective 6.2				
	Total Costs	\$284,131	\$307,265	\$296,473
	FTEs	2,543	2,604	2,384
Environmental Quality Incentives Program				
	Conservation Planning and Technical Consultation	\$5,586	\$6,939	\$7,286
	Conservation Implementation	23,834	29,609	31,090
	Financial Assistance - Program Administration	16,030	19,915	20,910
	Financial Assistance - Cost Share & Monetary Incentives	150,028	139,696	146,680
	Indirect Costs	3,092	3,841	4,034
	Total Costs	198,570	200,000	210,000
	FTEs	434	526	552
	Performance measure: Cropland with conservation applied to improve soil quality			
	Performance, million acres	5.3	5.5	5.7

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.2: Enhance Soil Quality to Maintain Productive Working Cropland

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Conservation Security Program				
	Conservation Planning and Technical Consultation	\$508	\$1,124	0.27
	Conservation Implementation	587	1,298	1,224
	Financial Assistance - Program Administration	4,301	9,506	8,964
	Financial Assistance - Cost Share & Monetary Incentives	67,113	81,122	76,500
	Indirect Costs	1,080	2,388	2,252
	Total Costs	73,589	95,438	88,940
	FTEs	50	65	61
Performance measure: Agricultural land with enhancement activities applied to increase soil quality				
	Performance, million acres	0.0	1.4	1.4

Mandatory Total for Strategic Objective 6.2

Total Costs	\$272,159	\$295,438	\$298,940
FTEs	484	591	613

Total for Strategic Objective 6.2

Total Costs	\$556,290	\$602,703	\$595,413
FTEs	3,027	3,195	2,997

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.3: Protect Forests and Grazing Land

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Conservation Technical Assistance				
	Conservation Planning and Technical Consultation	\$48,024	\$52,964	\$49,955
	Conservation Implementation	23,013	25,380	23,938
	Natural Resource Inventory and Assessment	1,541	1,700	1,603
	Natural Resource Technology Transfer	17,036	18,788	17,720
	Indirect Costs	41,286	45,533	42,945
	Total Costs	130,900	144,365	136,161
	FTEs	1,191	1,237	1,105

Performance measure: Grazing lands with conservation applied to protect the resource base, millions of acres

13.5 12.0 11.0

Discretionary Total for Strategic Objective 6.3

Total Costs	\$130,900	\$144,365	\$136,161
FTEs	1,191	1,237	1,105

Environmental Quality Incentives Program

	Conservation Planning and Technical Consultation	\$4,189	\$5,204	\$5,465
	Conservation Implementation	17,876	22,207	23,317
	Financial Assistance - Program Administration	12,023	14,936	15,683
	Financial Assistance - Cost Share & Monetary Incentives	112,521	104,772	110,010
	Indirect Costs	2,319	2,881	3,025
	Total Costs	148,928	150,000	157,500
	FTEs	326	395	414

Performance measure: Grazing and forest land with conservation applied to protect and improve the resource base
 Performance, millions of acres

16.5 12.3 13.0

Conservation Security Program

	Conservation Planning and Technical Consultation	\$508	\$1,124	\$1,060
	Conservation Implementation	587	1,298	1,224
	Financial Assistance - Program Administration	4,301	9,506	8,965
	Financial Assistance - Cost Share & Monetary Incentives	67,113	81,122	76,500
	Indirect Costs	1,080	2,388	2,251
	Total Costs	73,589	95,438	90,000
	FTEs	50	65	61

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.3: Protect Forests and Grazing Land

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Grasslands Reserve Program				
	Conservation Planning and Technical Consultation	\$453	0	0
	Conservation Implementation	330	0	0
	Financial Assistance - Program Administration	1,079	0	0
	Financial Assistance - Cost Share & Monetary Incentives	9,843	0	0
	Indirect Costs	1,282	0	0
	Total Costs	12,987	0	0
	FTEs	21	0	0
	Performance measure: Farmland, forest land, and wetlands protected by conservation easements			
	Performance, millions of acres	0.06	0	0
Mandatory Total for Strategic Objective 6.3				
	Total Costs	\$235,504	\$245,438	\$247,500
	FTEs	397	460	475
Total for Strategic Objective 6.3				
	Total Costs	\$366,404	\$389,803	\$383,661
	FTEs	1,588	1,697	1,580

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.4: Protect and Enhance Wildlife Habitat to Benefit Desired, At-Risk and Declining Species

PROGRAM	PROGRAM ITEMS	AMOUNT (\$000)		
		FY 2007	FY 2008	FY 2009
Conservation Technical Assistance				
	Conservation Planning and Technical Consultation	\$36,018	\$39,723	\$37,466
	Conservation Implementation	17,260	19,035	17,953
	Natural Resource Inventory and Assessment	1,156	1,275	1,202
	Natural Resource Technology Transfer	12,777	14,091	13,290
	Indirect Costs	30,964	34,150	32,209
	Total Costs	98,175	108,274	102,120
	FTEs	893	928	829
	Performance measure: Wetlands created, restored, or enhanced			
	Performance, acres	62,093	51,300	51,300
	Performance measure: Non-federal land managed for the protection and enhancement of habitat for species with declining populations			
	Performance, million acres	1.6	NA	NA
Healthy Forests Reserve Program				
	Conservation Planning and Technical Consultation	\$19	\$23	0
	Conservation Implementation	21	25	0
	Financial Assistance - Program Administration	9	11	0
	Financial Assistance - Cost Share & Monetary Incentives	2,349	1,835	0
	Indirect Costs	78	92	0
	Total Costs	2,476	1,986	0
	FTEs	1	1	
	Performance measure: Non-federal land with conservation applied to improve fish and wildlife habitat quality			
	Performance, acres	0	50,000	0
Discretionary Total for Strategic Objective 6.4				
	Total Costs	\$100,651	\$110,260	\$102,120
	FTEs	894	929	829
Wetlands Reserve Program				
	Conservation Planning and Technical Consultation	\$4,346	\$3,525	\$1,406
	Conservation Implementation	21,771	17,660	7,044
	Financial Assistance - Program Administration	17,382	14,100	5,624
	Financial Assistance - Cost Share & Monetary Incentives	187,757	406,250	162,035
	Indirect Costs	16,599	13,465	5,370
	Total Costs	247,855	455,000	181,479
	FTEs	190	326	130
	Performance measure: Wetlands created, restored or enhanced			
	Performance, acres	149,326	100,000	125,000
	Performance measure: Farmland, forest land, and wetlands protected by conservation easements			
	Performance, acres	74,509	75,000	125,000
Environmental Quality Incentives Program				
	Conservation Planning and Technical Consultation	\$1,396	\$1,735	\$1,822
	Conservation Implementation	5,959	7,402	7,772
	Financial Assistance - Program Administration	4,008	4,979	5,228
	Financial Assistance - Cost Share & Monetary Incentives	37,507	34,924	36,670
	Indirect Costs	773	960	1,008
	Total Costs	49,643	50,000	52,500

NATURAL RESOURCES CONSERVATION SERVICE
Full Cost by Strategic Objective

Strategic Objective 6.4: Protect and Enhance Wildlife Habitat to Benefit Desired, At-Risk and Declining Species

PROGRAM	PROGRAM ITEMS	FTEs	AMOUNT (\$000)		
			FY 2007	FY 2008	FY 2009
			108	131	138
Wildlife Habitat Incentives Program					
	Conservation Planning and Technical Consultation		\$1,310	\$2,623	0
	Conservation Implementation		3,410	6,826	0
	Financial Assistance - Program Administration		3,688	7,385	0
	Financial Assistance - Cost Share & Monetary Incentives		32,131	64,325	0
	Indirect Costs		1,919	3,841	0
	Total Costs		42,458	85,000	0
	FTEs		77	154	0
	Performance measure: Non-federal land managed for the protection and enhancement of habitat for species with declining populations				
	Performance, million acres		0.15	0.20	0.27
Conservation Reserve Program					
	Conservation Planning and Technical Consultation		\$6,468	\$4,813	\$6,739
	Conservation Implementation		9,366	6,969	9,756
	Financial Assistance - Program Administration		7,757	5,772	8,080
	Financial Assistance - Cost Share & Monetary Incentives		0	0	0
	Indirect Costs		600	446	625
	Total Costs		24,191	18,000	25,200
	FTEs		242	143	252
Mandatory Total for Strategic Objective 6.4					
	Total Costs		\$364,147	\$608,000	\$259,179
	FTEs		617	754	520
Total for Strategic Objective 6.4					
	Total Costs		\$464,798	\$718,260	\$361,299
	FTEs		1,511	1,683	1,349