

## Issue Paper for Oregon Technical Advisory Committee

<b>Topic:</b>	FY02 to FY03 Transition Procedure/ Process - Draft Proposal	
<b>Presenter / Sponsor(s):</b>	Bill White, NRCS, Leader for Programs	
<b>Issue Statement:</b>	The 2002 Farm Bill will start this fiscal year. Program funding will be available for EQIP contract obligation in FY02 until the end of September. This will be a significant opportunity. Oregon needs to develop interim policy for this transition period to address unfunded program applications and new program applicants. Oregon can also begin to develop policy for program delivery FY 03 and beyond.	
<b>Action Required:</b>	<input checked="" type="checkbox"/> Review & Discussion <input checked="" type="checkbox"/> Advice Requested	<input type="checkbox"/> Information <input type="checkbox"/> Other:: _____
<b>Background:</b>	In FY02 Oregon has been servicing EQIP applications for obligating current year funds using existing EQIP programs policy. Under the FY2002 Farm Bill, new EQIP program rules may be in place that are create new opportunities for applicants. Program management with two sources of funds with different rules would be difficult. Oregon is hopeful new EQIP rules will be applied for all EQIP contracts in FY02.	
<b>Progress / Current Status:</b>	Currently NRCS has held EQIP signups, ranked applications, and are selecting applications based on the limited funding in total and per contract. The ranking is based on maximizing environmental benefits per EQIP dollar.	
<b>Technical / Staff Recommendation:</b>	<p>Oregon should draft transition policy to build from the FY02 signup and adopt the higher contract limits and ranking process of the new EQIP rules. The following process for FY02 is being considered:</p> <ul style="list-style-type: none"> <li>▪ Use the current EQIP signups,</li> <li>▪ Schedule a new EQIP signup in June,</li> <li>▪ Continue with current priority areas through FY02,</li> <li>▪ Rank the new and unfunded applications using applications based on optimized conservation benefits as a cost-effective use of conservation practices and addressing conservation priorities,</li> <li>▪ Use revised contract lengths,</li> <li>▪ Eliminate bid down option,</li> <li>▪ Utilize the higher contract funding limits of the 2002 Farm Bill,</li> <li>▪ Allow 90% cost share under national guidelines until state guidance is developed.</li> <li>▪ Allow expenditure of EQIP funds in first year of contract,</li> <li>▪ Continue 1,000 head cap on large confined livestock operations through FY2002,</li> <li>▪ Allow incentive payments for CNMP (determined at the BWG level),</li> <li>▪ Require CNMP for contracts paying for animal waste manure systems, and</li> <li>▪ Initiate policy development based fully on the 2002 Farm Bill EQIP rules for the FY03 and future years.</li> </ul>	
<b>Attachment:</b>		