

Landowner Incentive Program

Appropriation Language

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for private conservation efforts to be carried out on private lands, [\$30,000,000] \$50,000,000, to be derived from the Land and Water Conservation Fund, and to remain available until expended: *Provided*, That the amount provided herein is for a Landowner Incentive Program established by the Secretary that provides matching, competitively awarded grants to States, the District of Columbia, [Tribes] *federally recognized Indian tribes*, Puerto Rico, Guam, the United States Virgin Islands, the Northern Mariana Islands, and American Samoa, to establish or supplement existing landowner incentive programs that provide technical and financial assistance, including habitat protection and restoration, to private landowners for the protection and management of habitat to benefit federally listed, proposed, candidate, or other at-risk species on private lands. (Department of the Interior and Related Agencies Appropriation, 2004)

Justification of Language Changes

Addition: "federally recognized Indian tribes,"

This addition clarifies that the Landowner Incentive Program is specific to federally recognized tribes. This language is consistent with other grant program appropriation language.

Authorizing Statutes

Endangered Species Act of 1973, as amended, (16 U.S.C. 1531-1544). Prohibits the import, export, or taking of fish and wildlife and plants that are listed as threatened or endangered species; provides for adding species to and removing them from the list of threatened and endangered species, and for preparing and implementing plans for their recovery; provides for interagency cooperation to avoid take of listed species and for issuing permits for otherwise prohibited activities; provides for cooperation with States, including authorization of financial assistance; and implements the provisions of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES). Authorization of Appropriations: Expired September 30, 1992.

Fish and Wildlife Act of 1956, as amended, (16 U.S.C. 742(a)-754). Establishes a comprehensive national fish and wildlife policy and authorizes the Secretary to take steps required for the development, management, advancement, conservation, and protection of fisheries resources and wildlife resources through research, acquisition of refuge lands, development of existing facilities, and other means.

Fish and Wildlife Coordination Act, as amended, (16 U.S.C. 661). The Secretary of the Interior is authorized to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes, in minimizing damages from overabundant species, in providing public shooting and fishing areas, including easements across public lands for access thereto.

LANDOWNER INCENTIVE PROGRAM

Landowner Incentive Program		2003 ¹ Actual	2004 Enacted	Uncontrollable & Related Changes (+/-)	Program Changes (+/-)	2005 Budget Request	Changes From 2004 (+/-)
Landowner Incentive State Grants	\$(000) FTE	-181	25,867		17,783	43,60	17,783
Landowner Incentive Tribal Grants	\$(000)	0	2,904		1,976	4,900	1,996
Administration	\$(000) FTE	0 5	889 5		591	1,500 5	591
CAM (see General Business Operation Expenses)		18	[TBD*]			[TBD]*	
Total, Landowner Incentive Program	\$(000) FTE	-181 1	29,630 7		20,370	50,000	20,370

¹ Congress rescinded \$40 million of unobligated balances brought forward in 2003, reducing the total new appropriations to -\$181,000.

* The Service is reviewing the Cost Allocation Methodology and will provide a FY 2005 budget proposal by April 15, 2004

Program Overview

The Landowner Incentive Program (LIP) is an initiative to provide competitive matching grants to states, territories, and tribes to establish or supplement existing landowner incentive programs that provide technical and financial assistance to private and tribal landowners. The grants will fund programs that assist landowners and restore habitats of listed, proposed, candidate, or other species determined to be at risk on private and tribal lands. The Landowner Incentive Program supports the Department’s Draft Strategic Plan mission of Resource Protection and its outcome goal, “Sustain Biological Communities on DOI Managed and Influenced Lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and Use of Water”.

2003 Program Performance Accomplishments

The FY 2003 Landowner Incentive Program (LIP) provides competitive matching grants to states, territories, the District of Columbia, and tribes. The tribal portion of the program is allocated \$3.8 million, and the state and territorial portion is \$34.6 million. Administration of the total program is \$1.2 million. The grants will establish or supplement landowner incentive programs that provide technical and financial assistance to private landowners for projects that protect and restore habitats of listed species or species determined to be at risk. The tribal and state programs were developed separately to ensure fair competition (the states have considerably more experience in competing nationally for Service grant funds), and to provide a degree of certainty for the tribes that they would be assured a portion of the funds.

State Program: Initial comments regarding draft LIP implementation guidelines were received from states and the Service Regional Offices. As a result

Use of Cost and Performance Information Landowner Incentive Program

Because of the relative newness of the Landowner Incentive Program, no significant cost and performance data are currently available. As this program matures and more information becomes available, the Fish and Wildlife Service plans to evaluate trends in the activities and accomplishments funded through this program. Program costs will be examined for application to Federal administrative operations and to evaluate the cost and benefit of grant outcomes.

- Possible targets of evaluation could be the cost efficiency and methods of conservation activities that are successful in impacting conservation efforts on private lands. It must be noted, however, that information to adequately and systematically evaluate success and cost efficiency of activities that impact species at risk is not likely to be available for some time. Accordingly, it is likely that fiscal years 2004, 2005, and 2006 will be used to collect both cost and performance data to allow the establishment of baselines for this program and to begin analysis.

of these comments, the Service developed program guidelines with two tiers of competition and funding. **Tier 1** grants (capped at \$180,000 per state) are intended to provide a base for states to fund staff and their associated support necessary to develop a new, or enhance an existing, landowner incentive program. **Tier 2** grants (having a LIP programmatic cap of \$1.74 million per state) are intended to implement State landowner incentive programs by providing technical or financial assistance to private landowners through a variety of means to support on-the-ground projects.

The Service published a Notice of proposed LIP guidelines in the *Federal Register* on June 7, 2002. The Service received and considered written responses from 25 agencies and organizations. The Service published final LIP Policy with Implementation Guidelines for States and a request for grant proposals in the *Federal Register* on October 1, 2002. On this same date, the Service sent letters to State Directors and other interested organizations notifying them of the published announcement. The deadline for States and Territories to submit Tier 1 and Tier 2 grant proposals to the Service was December 2.

Criteria for ranking and selection of proposed projects include factors such as:

- A clear and sufficiently detailed description of the program.
- How projects may fit into a broader scale conservation planning effort at the state or regional level.
- The adequacy of management systems for fiscal, contractual, and performance accountability.
- The existence of a fair and equitable system for fund distribution.
- The degree to which the state has developed its own criteria to evaluate and prioritize their project proposals, based on criteria such as species needs, priority habitats, compliance with state and federal requirements, and the feasibility of success.
- State outreach efforts used to effect broad public awareness, support, and participation.
- Identification by name of species at risk to benefit from the proposed project.
- The number of species to benefit from the proposed project.
- The percentage of funds identified for staff and related administrative costs in comparison to the total program costs.
- The percentage of total non-federal funds used for cost sharing.
- The applicant demonstrates the urgency of the projects or actions that are to benefit the species targeted and the short-term and long-term benefits anticipated.
- How projects help to achieve Program goals and Department goals.

Landowner Incentive Program projects include the following types of activities:

- Restoration of marginal farmlands to wetlands.
- The removal of exotic plants to restore natural prairies.
- A change in grazing practices and fencing to enhance important riparian habitats.
- Instream or streambank structural improvements to benefit aquatic species.
- Road closures to protect habitats and reduce harassment of wildlife.
- Conservation easements.
- Other innovative state programs.

During the initial application period, 47 States proposed a total of 84 Tier 1 and Tier 2 project proposals totaling \$60.6 million. After deducting \$3.8 million for the Tribal program and \$1.2 million for administration of the program, a total of \$34.6 million from the FY 2003 appropriation was made available for grant awards to States. With these dollars, the Service funded approximately 70 percent of the initial 84 proposals. Announcement of the award recipients occurred in late February 2003.

The 84 grant proposals included a wide variety of implementation approaches. Some state fish and wildlife agencies intend to solicit project proposals from private landowners and select the best for funding, while others have targeted habitat types in certain areas of the state and plan to contact the

landowners in these areas to pursue cooperative projects. Some states envision considerable use of conservation easements to effect long term habitat improvement on private lands, while others are focused on cost-shared habitat management actions in relation to the Safe Harbor Agreement program of the U.S. Fish and Wildlife Service. It is clear that nearly all states intend to pursue funding and agency involvement under the LIP. The Service is committed to provide feedback to the states to improve future grant proposals and program effectiveness (FY 2004 and beyond).

Tribal Program: A separate Tribal Landowner Incentive Program (TLIP) was created for three major reasons:

- There is a unique relationship between the Federal government and tribes, which includes a Federal Trust Responsibility for Native Americans.
- Tribal lands are not private lands—they would not be eligible for funding under a state centered Landowner Incentive Program with a private lands grant distribution system.
- The tribes directly administer the funds themselves rather than further distribute them to individual landowners. Thus, the criteria used to evaluate tribal program proposals differ to some extent from those used in the state program.

The results of both the state and the tribal programs will be similar in effect as both encourage voluntary conservation of natural resources.

The Service worked closely with tribal partners to complete a separate competitive grant process for the tribes. The tribes involved have received this cooperative effort favorably. As part of this developmental process, the Service published for public comment the proposed guidance for the tribal grant program in the *Federal Register* on December 27, 2002. The Service developed responses to those comments and incorporated them into a *Federal Register* notice containing the final guidance and a Request for Proposals on July 28, 2003. Proposals were due to the Service by September 11, 2003. The Service received 41 proposals for TLIP funding.

2004 Planned Program Performance

The Congress rescinded the full FY 2003 appropriation while funding the Service's proposed \$30 million program for FY 2004. The FY 2004 funding was at a level of \$10 million below the FY 2003 appropriation.

State Program: The Service started the second cycle of state grant competition by publishing a request for proposals, with a 60-day deadline for submissions, on August 15, 2003. In response, states proposed 75 Tier 1 and Tier 2 projects. These proposals came from 44 States and totaled \$41.8 million. Approximately \$25.8 million will be available to award to the states after rescissions, administrative expenses, and the Tribal share (10%) are subtracted from the appropriation. The Service intends to make FY 2004 grant award recommendations in February of 2004.

Tribal Program: The Service solicited project proposals for federal assistance under the Tribal Landowner Incentive Program (TLIP) and on January 27, 2004, announced that 23 proposals will be awarded through this program. The Department of the Interior and the Related Agencies Appropriation Act of 2002 allocated \$39,740,000 for the Land and Water Conservation Fund for conservation grants under a Landowner Incentive Program. This notice sets forth guidance allowing \$3,974,000 in grants to be directly distributed to tribes through this competitive grant program, which requires a 25 percent match.

Justification of Program Changes

Subactivity		2005 Budget Request	Program Changes (+-)
Landowner Incentive Program	\$(000)	50,000	+20,370
	FTE	7	0

The FY 2005 budget request for the Landowner Incentive Program is \$50,000,000 and 7 FTE, an increase of \$20,370,000 and 0 FTE from the 2004 enacted level.

Landowner Incentive Program (+\$20,370,000)

This funding level increases the budget authority for this program and will allow the Service to move forward with assurance to the states and tribes of continued financial support through FY 2005. The grant cycle for FY 2005 will start near the end of Calendar Year 2004 with a request for proposals in the *Federal Register*. As in FY 2004, the program regulations already in place will provide the structure for this cycle. The Service anticipates awarding grants by the spring of 2005.

The Landowner Incentive Program supports the DOI's Strategic Plan FY 2003-2008 mission of Resource Protection and its outcome goal, *Sustain Biological Communities on DOI Managed and Influenced Lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and use of Water*. This grant program employs Strategy 1—create habitat conditions on private land for biological communities to flourish—in supporting the Department's mission. Through the Landowner Incentive Program, the Service intends to increase the number of acres and stream and shoreline miles to help achieve habitat and biological community goals. It also intends to increase the number of partners involved in the program. The Service is developing several performance measures for the Landowner Incentive Program and plans to solicit additional input from program cooperators that may ultimately add to or refine these measures. The measures are targeted for full implementation in FY 2005, which will become the baseline year for future refinement and application. Specifically, these performance measures will monitor the use of these funds and include documenting the number of land acres and stream/shoreline miles that are protected, restored or maintained on lands through this program.

The proposed program changes will allow the Service to provide more grant money to states for their conservation efforts with landowners. The enhanced funding will allow additional land acreage to receive planned and professional fish and wildlife conservation actions that are completed by state agencies. Because baseline acreage and stream/shoreline miles have yet to be established for this program, it is difficult to project an exact estimate of the number of additional miles and acres that will benefit from the additional funds. Moreover, the cost per acre or mile may vary widely depending upon the locality of the action. For example, conservation actions completed on the densely populated East Coast are likely to cost more per acre or stream mile than a similar activity completed in the Midwest or western portion of the U.S. Nonetheless, the Service expects the increased funds to result in a significant expansion of the number of land acres and stream/shoreline miles that are protected or restored through this program with the enhanced funding based on the Service's current knowledge of the on-going and planned uses and associated costs with projects that are funded with the existing funds.

LANDOWNER INCENTIVE PROGRAM

Standard Form 300

DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE
LANDOWNER INCENTIVE PROGRAM

Program and Financing (in thousands of dollars)			
Identification code 14-5496-0	2003 Actual	2004 Estimate	2005 Estimate
<u>Obligations by program activity:</u>			
00.01 Landowner Incentives Grant Program	15,731	42,468	51,449
00.02 Administration	513	532	551
10.00 Total obligations	16,244	43,000	52,000
<u>Budgetary resources available for obligation:</u>			
21.40 Unobligated balance available, start of year	39,921	23,496	10,126
22.00 New Budget authority (gross)	40,000	30,000	50,000
40.36 Rescission of New BA (PL 107-63)	-260		
40.36 Rescission of New BA (PL108-108)		-194	
40.36 Rescission of New BA (PL 108-401)		-176	
23.90 Total budgetary resources available for obligation	-39,921	53,126	60,126
23.95 New obligations (-)	-16,244	-43,000	-52,000
24.40 Unobligated balance available, end of year	23,496	10,126	8,126
<u>New budget authority (gross), detail:</u>			
Discretionary:			
40.20 Appropriation (Special Fund) LWCF	0	30,000	50,000
<u>Change in unpaid obligations:</u>			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	10	15,782	26,782
73.10 New obligations	16,244	43,000	52,000
73.20 Total outlays, gross (-)	-472	-32,000	-42,000
74.40 Obligated balance, end of year	15,782	26,782	36,782
<u>Outlays, (gross) detail:</u>			
86.97 Outlays from new discretionary authority	472	9,000	15,000
86.98 Outlays from discretionary balances	0	23,000	27,000
87.00 Total outlays (gross)	472	32,000	42,000
<u>Net budget authority and outlays:</u>			
89.00 Budget authority	40,000	30,000	50,000
90.00 Outlays	472	32,000	42,000

Standard Form 300

DEPARTMENT OF THE INTERIOR
 FISH AND WILDLIFE SERVICE
 LANDOWNER INCENTIVE PROGRAM

Program and Financing (in thousands of dollars)			
Identification code 14-5496-0	2003 Actual	2004 Estimate	2005 Estimate
Object Classification (in thousands of dollars)			
Direct obligations:			
11.1 Full-time permanent	288	480	499
11.3 Other than full time permanent	1	1	1
11.5 Other personnel compensation	3	3	3
11.9 Total personnel compensation	292	484	503
12.1 Civilian personnel benefits	137	143	148
21.0 Travel and transportation of persons	28	49	50
22.0 Transportation of Things	17	17	18
23.2 Rental payments to others	3	3	3
25.2 Other Payments	12	12	12
25.3 Purchases of goods and services from Govt Accounts	10	10	10
25.7 Operations and maintenance of equipment	2	2	2
26.0 Supplies	3	3	3
31.0 Equipment	9	9	9
41.0 Grants, subsidies and contributions	15,731	42,267	51,240
99.9 Total obligations	16,244	43,000	52,000
Personnel Summary			
Direct:			
Total compensable work years:			
1001 Full-time equivalent employment	4	7	7

