

**Environmental Assessment**  
**DATCP's Portion of the 2019 Joint Final Allocation Plan**  
**September 2018**

**I. The Nature and Purpose of the Proposed Action**

Each year the Department of Agriculture, Trade and Consumer Protection (DATCP), together with the Department of Natural Resources (DNR), allocates grant funds to counties and others for the purpose of supporting county conservation staff, landowner cost-sharing and other soil and water resource management (SWRM) activities. DATCP funds are allocated in accordance with ch. 92, Stats., and ch. ATCP 50, Wis. Adm. Code. Counties are required to have DATCP-approved land and water resource management (LWRM) plans as an eligibility condition for grants. The details of DATCP's proposed action are set forth in charts and tables in the 2019 Joint Allocation Plan that accompanies this Environmental Assessment.

**II. The Environment Affected by the Proposed Action**

As further explained in Section III.A., the DATCP grant program operates in every county, potentially covering all of Wisconsin's 34.8 million acres. While the program can fund a range of activities that protect surface and ground waters throughout the state, grant funds are primarily used to protect rural areas and install conservation practices on farms, which now account for less than 50% of Wisconsin's land base (14.4 million acres). Ultimately each county's LWRM plan determines the nature and scope of conservation activities in the area and the natural resources affected by DATCP funds.

**III. Foreseeable Environmental Effects of the Proposed Action**

**A. Immediate Effects**

The environmental effects of the proposed allocation plan are positive. Through support for conservation staff and landowner cost-sharing, the proposed allocation plan will result in actions on farms and other areas that reduce soil erosion, prevent farm runoff, improve management of manure and other nutrients, and minimize pollution of surface and ground water.

By providing annual funding for conservation staff and other conservation cooperators, DATCP secures statewide capacity to deliver a wide range of conservation and water quality programs. DATCP staffing grants enable counties to hire and retain conservation staff who have the experience and technical skills required to implement county resource management plans, including the state agricultural performance standards; facilitate landowner participation in state and federal cost-share programs; and ensure cross-compliance of farmers in the farmland preservation program (FPP). By funding special projects that support conservation implementation, DATCP is filling critical needs in areas such as technical standards development, nutrient management support, training, and coordination between the public and private sector. As discussed later, funding for county conservation staff has not kept up with the demand which is fueled by new programs such as producer-led watershed councils and phosphorus management, and the persistence of intractable ground and surface water issues throughout the state.

Each year, counties use cost-share funds to address state and local priorities identified in their local plans. New work plan and reporting requirements discussed on page six will provide a clearer picture of county efforts and facilitate reporting of county accomplishments.

Cost-share funds translate into tangible conservation practices that produce documentable results in controlling runoff pollution and improving water quality. In 2017, counties spent about \$5.1 million in DATCP funds to install cost-shared practices, compared to 2016 expenditure of about \$5.2 million. Table A highlights the top conservation practices DATCP cost-share spent by counties in 2016 and 2017.

<b>Conservation Practice</b>	<b>2016 Cost-Share Dollars Spent (in millions)</b>	<b>2016 Units of Practice Installed</b>	<b>2017 Cost-Share Dollars Spent (in millions)</b>	<b>2017 Units of Practice Installed</b>
Nutrient Management Plans	1.7	74,686 acres	1.6	66,038 acres
Waterway systems	.51	114 acres	.40	1343 acres
Manure Storage	.40	18 systems	.39	20 systems
Barnyard Runoff Control	.34	26 systems	.18	16 systems
Streambank and Shoreline Protection	.42	32,160 feet	.38	24,469 feet
Grade Stabilization	.23	35 structures	.25	40 structures
Closure of Manure Storage System	.28	41 closed	.30	40 closed

The following developments are worth mentioning with respect to expenditures of cost-share funds in 2017 compared 2016 expenditures:

- A slight decline in spending for farm conservation practices that historically have had high expenditure levels such as nutrient management, grassed waterways, barnyard runoff control systems and manure storage.
- A slight increase in spending on certain farm practices at the middle to lower end of the expenditure spectrum for manure storage closure, feed storage runoff control systems, underground outlet and waste transfer systems.
- Greater comfort among counties in addressing feed storage runoff control in light of a more demanding technical standard that limits the use of low-cost vegetated treatment areas.

#### B. Long-Term Effects

Over time, DATCP’s annual financial support of county staff and other project cooperators has built and sustained a statewide conservation infrastructure that delivers the following reinforcing benefits:

- Outreach and education that results in positive behavioral changes;
- Development of conservation technologies such as SNAP Plus and the Manure Advisory System, and the training systems to effectively use these technologies;
- Technical assistance that ensures proper design and installation of conservation practices;
- Resource management planning that tackles local and state priorities, with an improved emphasis on annual work planning and reporting;
- Permitting and other regulation of livestock farms that requires properly designed manure storage and nutrient management plans; and
- FPP administration that protects valuable resources and promotes conservation compliance.

DATCP cost-share grants are critical in helping landowners meet their individual needs and fundamental to overall efforts to make progress in achieving water quality goals. Most farmers are not required to meet state runoff control standards without cost-sharing. Long-term state commitment to farmer cost-sharing determines the extent to which conservation practices are installed, and ultimately the degree to which water quality is improved. When multiple conservation practices are installed in a watershed or other area over time, the combined effect of these practices can result in marked water quality improvements.

Fully assessing the long-term benefits, however, is complicated for a number of reasons including the fact that DATCP's grant program operates within a collection of conservation and natural resource programs. See Section III.E. for more a detailed discussion.

#### C. Direct Effects

DATCP cost-share grants result in the installation of conservation practices and capital improvements on rural and agricultural lands for the purpose of protecting water quality and reducing soil erosion. Grants to counties and others also secure access to technical or other assistance that supports conservation efforts, including conservation and nutrient management planning.

#### D. Indirect Effects

Installed conservation practices not only improve resources in the immediate area, but benefit surrounding areas, including resources located "downstream" from the installed practice. For example, nutrient management practices implemented on fields upstream from a lake reduce sediment and nutrients that would otherwise be deposited in surface waters, and can provide additional protection for groundwater. Installed practices may have secondary benefits at a site, such as shoreline buffers, which not only serve to control runoff, but may increase wildlife habitat.

DATCP policies and rules mitigate secondary impacts from the installation and maintenance of conservation practices. DATCP policies ensure that counties evaluate cultural resource impacts of a project before any land-disturbing activities are initiated. To minimize erosion from excavation and construction projects, such as a manure storage facility or barnyard runoff control system, DATCP rules require landowners to implement measures to manage sediment runoff from construction sites involving DATCP cost-shared practices. Adverse environmental impacts may result from improper design and installation of practices. DATCP rules avoid this outcome by requiring the design and construction of cost-shared projects according to established technical standards. Improper maintenance can undermine the benefits of a long-term conservation practice. By requiring that landowners maintain conservation projects installed with DATCP cost-share dollars, DATCP ensures that practices perform in the long-term as intended.

In rare cases, certain negative impacts are unavoidable. For example, unusual storm events can cause manure runoff from the best-designed barnyard. Unavoidable impacts may also arise if a cost-shared practice is not maintained or is improperly abandoned. Manure storage facilities that are not properly abandoned or emptied may present a water quality threat, unless they are closed in accordance with technical standards.

Overall, the positive benefits of reducing nonpoint runoff through conservation measures

significantly outweigh the slight risks associated with the installation and maintenance of conservation practices.

#### E. Cumulative Effects

While it is difficult to accurately gauge the cumulative effects of this action, it is clear that SWRM grant funds play an integral part in supporting a comprehensive framework of federal, state, and local resource management programs. By supporting 111 of the 355 conservation employees in the state's 72 counties, DATCP grant funds secure the foundation necessary to deliver a myriad of conservation programs, which among other accomplishments, achieved the following:

- In 2017, the Natural Resources Conservation Service (NRCS) provided \$59.2 million its conservation programs including \$27.7 million in Environmental Quality Incentives (EQIP) payments to install conservation practices with the top six expenditures related to cover crops (\$7.0 million), waste storage facility (\$3.3 million), streambank and shoreline protection (\$1.9 million), fencing (\$1.4 million), lighting systems improvement (\$1.1 million), and heavy use protection (\$1.0 million). In 2017, NRCS invested \$600,000 in Lafayette County Agricultural Enterprise Area Water Quality Project, a project with DATCP as the lead partner designed to mobilize an existing informal network of landowners to address water quality concerns in the Pecatonica River Watershed through the widespread adoption and installation of conservation practices. In addition NRCS made \$3.9 million in conservation stewardship payments covering 251,463 acres of privately owned farms and forestland.
- The conservation reserve enhancement program (CREP) and similar federal programs protect important natural resources while allowing landowners to make use of valuable working lands. As of the beginning of 2018, about 54,381 acres were enrolled under CREP agreements and easements: with approximately 6,900 acres under CREP easements and the remainder under CREP 15-year agreements. Of those enrollments 36,376 acres are currently under active agreements. The conservation benefits of the practices installed on the active agreements (e.g. riparian buffers and filter strips) are as follows: 999 miles of streams buffered with an estimated phosphorus annual removal of 97,698 pounds, nitrogen annual removal of 52,406 pounds and sediment removal of 47,995 tons.
- DNR continued annual funding in 2018 for Targeted Runoff Management Projects, providing nearly \$3.8 million to counties for cost-sharing 26 projects. DNR set aside \$1.5 million for farms issued a notice of discharge.
- Through its Producer-Led Watershed Protection Grants, DATCP awarded \$197,065 to 11 groups in 2017 and \$558,246 to 19 groups in 2018.

Assessing the full extent of the effects of grant funding is complicated by a number of factors including complex interactions and far-reaching impacts of grant funding. For example, conservation activities funded by DATCP can dampen the potential negative environmental impacts of actions driven by farm policies and economics. In particular, the risks of cropland soil erosion have increased as a result of conditions that favor increased cash grain/row cropping, and the increased market incentives to grow these crops.

#### IV. Persons, Groups, and Agencies Affected by the Activity

##### A. Those Directly Affected

County Conservation Programs and Cooperators: The proposed allocation plan provides funding

to support 72 county conservation programs. Even with increased appropriations for the staffing grant, DATCP awards still fall short of funding three staff per county at the prescribed rates in s. 92.14(6)(b), Stats, providing support for one third of the costs for county conservation staff, who number 355 according to most recent data. DATCP grants are one of several sources for cost-share funds that include county levies, DNR grants and NRCS funding. DATCP grants also fund private and public entities to provide statewide support for implementing conservation programs or provide special services to promote conservation statewide. DATCP funding for training and professional development is critical to maintaining county capacity to deliver high quality technical services, and reflects a state commitment to build the capacity of conservation staff statewide.

Landowners who are direct beneficiaries: Farmers and other landowners rely on many services, such as technical assistance, provided by conservation staff funded with DATCP grants. They also benefit from cost-share dollars to install conservation practices.

Other county residents: County residents benefit from resource management planning, permitting and other services provided by county conservation staff funded through DATCP grants. Through information and education efforts, for example, a county can help non-farm residents better manage lawn fertilizers, improve backyard wildlife habitat, control invasive species and minimize construction site erosion.

Farm-related businesses: Farm supply organizations, nutrient management planners and soil testing laboratories, agricultural engineers, and construction contractors benefit from state grants to counties. Landowners who receive cost-sharing purchase goods and services from these entities.

#### B. Those Significantly Affected

The allocation benefits those landowners whose soil and water resources are improved or protected as a consequence of the activities funded by DATCP. The benefits may include protection of drinking water. Landowners with properties located "downstream" of lands with nutrient and sediment delivery runoff problems also stand to benefit from conservation practices that reduced these problems. Certain measures, such as nutrient management plans, can help protect drinking water wells that serve neighboring landowners and communities. The general public benefits from conservation practices that protect water resources, and promote natural resources.

### **V. Significant Economic and Social Effects of the Proposed Action**

On balance, DATCP's proposed action will have positive economic and social effects.

DATCP grants support cost-sharing and technical assistance that enable farmers and other landowners to meet their conservation responsibilities and maintain eligibility for state and federal program benefits. By providing financial support to meet state runoff standards for farms, DATCP cost-sharing helps farmers avoid the costs related to government enforcement actions and other liability risks. For example, farmers who develop and follow nutrient management plans gain liability protection in the case of a manure spill or groundwater contamination.

The economic impacts of installing conservation practices vary with each individual farmer and the type of practices involved. To receive cost-sharing, landowners often pay 30% of the costs (10% in the case of economic hardship) to install a practice. DATCP adjustments in the cost-

sharing will enable farmers to keep pace with increasing responsibilities and costs associated with meeting conservation requirements. For example, the new maximum rate of \$10 per acre for nutrient management plans represents a needed adjustment to help farmers complete more extensive planning requirements. DATCP's efforts to expand its cost-share reserve offers limited options to install more costly practices to control feed storage or barnyard runoff, in response to the uncertainties surrounding the installation of vegetated treatment areas to effectively manage discharges.

In addition to incurring costs, landowners also must adjust their management routines to accommodate new conservation practices and meet government cost-share requirements. With these changes, farmers face new risks including potential for reduced productivity and reduced profits. Farmers implementing these practices, however, may also see long-term benefits including savings on the cost of fertilizer, sustaining soil at productive levels, and reduced liability for environmental problems.

From the standpoint of local economies, grant funds will generate demand for the purchase of goods and services to design, install and maintain conservation practices. The farm-related businesses listed in IV.A. will directly profit from this increased demand.

Socially, DATCP allocations provide needed support for the farming community and others to take a more active role in the protection and preservation of natural and agricultural resources. Through the increased adoption of conservation measures, farmers can ensure continued acceptance by rural communities as responsible and conscientious neighbors. Improved water quality both enhances recreational opportunities and protects the scenic rural landscape, both of which are features essential to tourism.

## **VI. Controversial Issues Associated with the Proposed Action**

For the 2017-2019 biennium, SWRM grants program benefited from funding increases in key areas. DATCP's annual appropriation for staffing grants was raised to its highest level since the 2011 allocation. This increase, however, did not move DATCP closer to meeting the statutory goal of funding an average of three county staff at the rate of 100, 70 and 50 percent. In fact, in 2019, the shortfall in meeting the goal is slightly greater than 2018, standing at \$3.4 million. DATCP funding for nutrient management (NM) grants and related expenditures increased to levels not seen since the 2008 allocation. The increased funding will provide critical financial resources to cover the higher cost-sharing rate required (\$10 per acre for four years) to implement the newest NRCS technical standard for NM planning. Even with the increase in the "per acre" amount of cost-sharing, DATCP will provide cost-share dollars sufficient to meet nearly 75 percent of county requests for funding. For 2018, DATCP was able to capture unspent SEG funds from producer led watershed grants and redirect about 0.2 million to supplement the NM cost-sharing provided to counties.

Despite the increases in SEG cost-share funds, state agencies face growing needs for cost-share dollars driven by expanding state priorities. While DATCP continues to advance nutrient management as a priority, the ATCP 50 increase in flat rate payments for NM plans may offset any gains in the SEG appropriation. Furthermore, DATCP and DNR must implement s. 92.14 (6) (c), Wis. Stats., that establishes a priority for the award of nutrient management funds to projects in near or affecting impaired water bodies and Agricultural Enterprise Areas (AEAs). Based on 2016 data, Wisconsin has 7,874 miles of impaired waterways and beaches. There are 1.13 million acres of land in AEAs and this total could grow to 2.0 million acres in the years to come. Making

reasonable progress in implementing NM in these targeted areas will require increased SEG funding to support DATCP cost-sharing and farmer training grants. Meeting funding challenges is complicated by the weak condition of the nonpoint account of the environmental fund. Our programs are deeply reliant on SEG funds from this account for staffing grants, nutrient management grants, and payments of debt service for bond funds. In its 2017 paper on *Environmental Quality and Miscellaneous Appropriations* (Paper #477), LFB noted:

“Thus, the nonpoint account is expected to have adjusted base expenditures that exceed revenues by approximately \$4.4 million annually during the 2019-21 biennium.”

DNR and DATCP are responsible for supporting implementation of newly adopted targeted performance standards for protecting groundwater from pathogen contamination in the northeastern counties with silurian bedrock and shallow soils. Effective July 1, 2018, DNR made rule changes to ch. NR 151 that will increase the need for specific conservation practices including cover crop; pre-tillage practices; reduced or restricted manure applications requiring storage, purchase of commercial fertilizers, increased costs for manure hauling or rental of additional land; and pathogen treatment technologies.

These new targeted performance standards will place additional strains on both DATCP SEG and bond cost-share funds. Over the years, DATCP has identified the need for additional bond cost-sharing based on a number of considerations including increased construction and material costs related to practices.

In the competition for limited funds, counties are seeking to maximize their access to funding by raising concerns about the fairness of the DATCP formulae for awarding cost-share funds. Led by Eau Claire County, the counties through WI Land and Water adopted a resolution requesting that DATCP not penalize counties when they cannot spend cost-share awards from NOD/NOI reserve. Seeking to enhance their ranking in the competition of nutrient management grants, counties have advanced various arguments. For example, Marquette County raised strong argument that their ranking should be higher based their acquisition and spending of funds transferred from other counties. DATCP has evaluated these requests for changes, and in both cases, altered its funding formulae to minimize the particular unfairness. As long as funds remain inadequate to meet county needs, counties are likely to pursue all options at their disposal to improve their funding positions.

## **VIII. Possible Alternatives to the Proposed Action**

### **A. Take No Action**

Taking no action on the proposed allocations is inconsistent with legal requirements. DATCP and DNR are statutorily mandated to provide grant assistance for their respective programs through an annual allocation as long as the state appropriates the necessary funds.

### **B. Delay Action**

DATCP is under legal obligation to make an annual allocation within a specific timetable. Furthermore, there is no financial justification for a delay since the funding is available. Delaying the grant allocation runs the risk of hampering counties in meeting their legal responsibilities, including their contractual responsibilities to landowners, and undermines the significant environmental, economic, and social benefits of the program.

**C. Decrease the Level of Activity**

Decreasing the allocations would reduce environmental benefits, impede local program delivery, is not warranted based on the available funding for DATCP programs and would be inconsistent with legislative intent to implement the nonpoint pollution control program. Therefore, this is an undesirable choice.

**D. Increase the Level of Activity**

Available appropriations and authorizations determine the overall level of activity. However, subject to the factors discussed in E. below, DATCP may increase the allocation in a given project category to better target spending to achieve desired conservation benefits and further legislative objectives.

**E. Change the Amounts Allocated to Some or All Recipients**

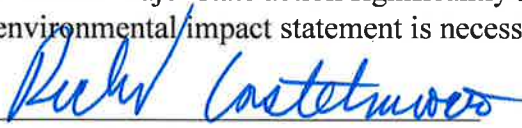
The awards made in the allocation plan are based on specific grant criteria that reflect a weighing and balancing of competing priorities and demands. The allocation plan is intended to implement ch. ATCP 50 and legislative directives regarding allocation of grant funds. It also reflects the input and consensus of the counties on funding issues. Changes in individual awards cannot be made without upsetting the weighing and balancing used to develop the overall allocation plan, and would unfairly deviate from grant criteria announced as part of the grant application.

**IX. Mitigation of Adverse Environmental Effects**


Overall, the allocations are anticipated to have positive environmental effects. Any adverse environmental effects will be of a secondary and minor nature, and can be mitigated. DATCP minimizes adverse impacts through construction runoff control requirements, outreach and training, and improvements in the technical standards.

**X. Final Determination**

This assessment finds that the *2019 Final Allocation Plan* will have no significant environmental impact and is not a major state action significantly affecting the quality of the human environment. No environmental impact statement is necessary under s. 1.11(2), Stats.

Date 9/5/18 By   
Richard Castelnuovo, Section Chief  
Land and Water Resources Bureau  
Agricultural Resource Management Division

*The decision indicating that this document is in compliance with s. 1.11, Stats., is not Final until certified by the Administrator of the Agricultural Resource Management Division.*

Date 9/5/18 By   
Brian Kuhn, Administrator  
Agricultural Resource Management Division