

## **Policy Issues for Consideration at April 22, 2016 Outdoor Heritage Fund Advisory Board**

The OHF Advisory Board Technical Committee discussed the following two issues that they recommended be presented to the Advisory Board on April 22. The following information is not all inclusive but rather information to begin the discussion on these issues:

### Payments to be based on actuals versus other guidelines (i.e. NRCS guidelines)

As you may have noted in the applications over the past two years there are inconsistencies on how costs are determined. Some of the applicants request reimbursement based on

- actual receipts;
- the amount allowed by a certain program - i.e. NRCS guidelines state fencing costs are \$1.50 a foot so payment is requested for a percentage of that \$1.50 even though the actual costs may have been less or may have been higher;
- a set amount that was negotiated and not actual costs;
- the estimate stated in the application.

What do you do in the case where a landowner does the work? Currently we have considered that to be an indirect cost and do not reimburse the landowner for any of that cost.

What do you do in the case where a landowner provides materials and cannot provide a receipt?

Which guidelines do you use? NRCS; 319; develop our own?

The amount that was stated in the application?

The suggestion of the Technical Committee was that reimbursement be based on documented actual costs not to exceed the most current NRCS guidelines.

### Cost Share Percentages -

Prior to July 1, 2015 under the OHF guidelines there was no match requirement except for some specific contracts where the Advisory Board placed a stipulation on the project. A match was encouraged but was not required.

After July 1, 2015 an applicant must provide at a minimum 25% match. However, there has been discussion about setting that cost share at 60/40. Applicants have been asking: What is the Advisory Board's preference - 75/25 or 60/40? The Industrial Commission at their March meeting discussed the cost share issue and asked that the Advisory Board look at this issue and make a recommendation for their consideration.

There are various levels of match requirements within state government. Some of the match requirements are a result of federal directives to the state. Here are a few examples - members of the Board may have other examples.

319 Program (federally funded) it is 60/40

Game and Fish Department indicated: The cost share depends on the federal aid program we are working under. For most projects in fisheries and wildlife it's a 75/25 cost share (non-federal share is 25%) and for our non-game program it's similar—unless it's an operational project, which it then becomes a 50/50 cost share. And to top it all off, the feds are looking at changing the cost share percentage.

State Forester indicated: The cost share for Forest Service State and Private Forestry Programs is 50/50. Funding sources include federal and state.

NRCS programs generally are 60/40 although there can be variances depending on the type of project.

Here are some points for discussion:

- Does it make a difference on the type of project? The majority of the 60/40 cost share has been on best management practices implemented on the land--fencing, water well, etc.
- What should be allowed as a match? Currently allowed is cash, in-kind and indirect with a stipulation that General Fund dollars can only be used for match if it has been legislatively appropriated for that purpose. Indirect match must follow the guidelines on the Budget Form.
- Should the reduced level of funding for OHF suggest that there be a higher cost share so more projects can be completed?

The Technical Committee did not have a specific suggestion on this issue.