



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: March 27, 2013
Subject: Grant Requests

Enclosed please find four (4) items that the Joint Fiscal Office has received from the administration.

JFO #2616 – \$781,226 grant from the U.S. Department of Agriculture to the Vermont Department of Agriculture, Food and Markets. These funds will be used to develop a water quality trading initiative intended to reduce nonpoint source phosphorus pollution loading in Lake Champlain (from the Missisquoi Bay and Otter Creek).

[JFO received 03/22/13]

JFO #2617 – \$75,000 grant from the U.S. Department of Agriculture to the Vermont Department of Agriculture, Food and Markets. These funds will be used to support the State's efforts to develop an agricultural water quality improvement program through outreach to farmers and nonagricultural stakeholders and the creation of a database designed to track water quality progress.

[JFO received 03/22/13]

JFO #2618 – \$10,000 grant from the National Alcohol Beverage Control Association to the Vermont Department of Liquor Control. These funds will be used to produce and distribute materials to help employers detect fraudulent identifications.

[JFO received 03/27/13]

JFO #2619 – \$219,898 grant from the Northern Border Regional Commission to the Vermont Telecommunications Authority (VTA). These funds will be used to assist the VTA in completing construction of a 13-mile segment of a 178-mile fiber-optic network in the northeastern Vermont.

[JFO received 03/27/13]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by April 10 we will assume that you agree to consider as final the Governor's acceptance of these requests.

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

[phone] 802-828-2376
 [fax] 802-828-2428

Agency of Administration

IFO 2617

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary:		This USDA grant is one of several Agriculture is receiving to develop a Certainty Program for agricultural water quality improvements. The program creates a framework that uses indicators of progress to measure nutrient and/or sediment reduction. This grant specifically will be used to make grants to farms to establish certainty programs for agricultural water quality.			
Date:		3/15/2013			
Department:		Agriculture, Food and Markets			
Legal Title of Grant:		2012 VT CIG Grant			
Federal Catalog #:		10.912 EQIP			
Grant/Donor Name and Address:		USDA Natural Resources Conservation Service, 356 Mountain View Dr, Ste 105, Colchester VT 05446			
Grant Period:		From:	To:		
		10/1/2012	1/31/2015		
Grant/Donation		75,000			
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$28,150	\$34,100	\$12,750	\$75,000	
Position Information:		# Positions	Explanation/Comments		
		0			
Additional Comments:					
Department of Finance & Management			3/18/13		(Initial)
Secretary of Administration			3/18/13		(Initial)
Sent To Joint Fiscal Office			3/20/13		Date 3/20/13



STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

BASIC GRANT INFORMATION				
1. Agency:	Vermont Agency of Agriculture, Food and Markets			
2. Department:				
3. Program:	Water Quality			
4. Legal Title of Grant:	2012 VT CIG Grant			
5. Federal Catalog #:	10.912 EQIP			
6. Grant/Donor Name and Address:	USDA Natural Resources Conservation Service 356 Mountain View Drive, Suite 105 Colchester, VT 05446			
7. Grant Period:	From:	10/1/2012	To:	1/31/2015
8. Purpose of Grant:	Agricultural Water Quality Improvements in Lake Champlain Watershed			
9. Impact on existing program if grant is not Accepted:	This grant is crucial for the development of a Certainty Program for agricultural water quality in Vermont. This program will create a framework that uses indicators of progress as the key measurement unit and where applicable nutrient and/or sediment reduction measures. This effort will entail an assessment of the various conservation programs and staff resources from agricultural organizations in order to improve their ability to help establish and implement the 5 year goals and progressive measures. Incorporating the on-going efforts of multiple partners into a process will support the restoration of Lake Champlain and other Total Maximum Daily Load (TMDL)-based nutrient pollution reduction efforts in Vermont. A Certainty Program for agriculture in Vermont could contribute to the "reasonable assurances" needed regarding nonpoint source phosphorus load reductions in the revised Lake Champlain TMDL for phosphorus being prepared by the U.S. Environmental Protection Agency. Without this grant, the Certainty Program will not exist.			
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2013	FY 2014	FY 2015	Total
Personal Services	\$	\$	\$	
Operating Expenses	\$	\$	\$	
Grants	\$56,300	\$68,200	\$25,500	
Total	\$56,300	\$68,200	\$25,500	\$150,000
Revenues:				
State Funds:	\$28,150	\$34,100	\$12,750	\$75,000
Cash	\$28,150	\$34,100	\$12,750	
In-Kind	\$	\$	\$	
Federal Funds:	\$28,150	\$34,100	\$12,750	\$75,000
(Direct Costs)	\$28,150	\$34,100	\$12,750	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source)	\$	\$	\$	
Total	\$56,300	\$68,200	\$25,500	\$150,000

MAR 15 2013

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

Appropriation No:	2200040000	Amount:	\$75,000
			\$
			\$
			\$
			\$
			\$
			\$
		Total	\$75,000

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? Yes No
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

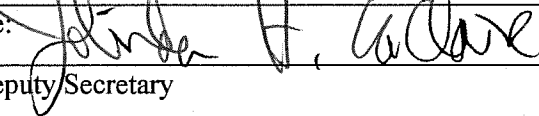
Appointing Authority Name: _____ Agreed by: _____ (initial)

12. Limited Service Position Information:	# Positions	Title
Total Positions		

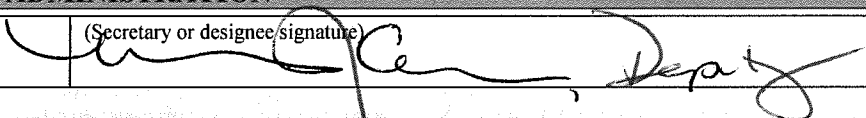
12a. Equipment and space for these positions: Is presently available. Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

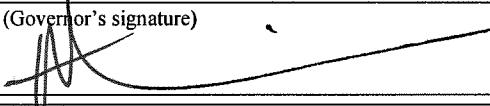
Signature: 	Date: 3-14-13
Title: Deputy Secretary	
Signature: _____	Date: _____
Title: _____	

14. SECRETARY OF ADMINISTRATION

Approved:  (Secretary or designee signature) Date: 03/18/13

15. ACTION BY GOVERNOR

Check One Box:
 Accepted

Rejected:  (Governor's signature) Date: 3/19/13

16. DOCUMENTATION REQUIRED

- Required GRANT Documentation**
- | | |
|---|---|
| <input type="checkbox"/> Request Memo | <input type="checkbox"/> Notice of Donation (if any) |
| <input type="checkbox"/> Dept. project approval (if applicable) | <input type="checkbox"/> Grant (Project) Timeline (if applicable) |
| <input type="checkbox"/> Notice of Award | <input type="checkbox"/> Request for Extension (if applicable) |
| <input type="checkbox"/> Grant Agreement | <input type="checkbox"/> Form AA-1PN attached (if applicable) |


STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

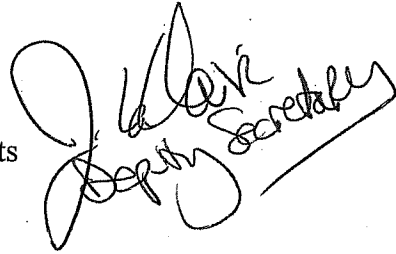
<input type="checkbox"/> Grant Budget	
End Form AA-1	
(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).	

Agency Of Agriculture, Food & Markets
116 State Street
Montpelier, VT 05620-2901
www.VermontAgriculture.com

MEMORANDUM

TO: Secretary Spaulding

FROM:  VT Agency of Agriculture, Food & Markets
Secretary Chuck Ross, Jr.



Deputy Secretary

DATE: November 5, 2012

SUBJECT: Development of an Agricultural Water Quality Certainty Program

This project aims to develop a Certainty Program for agricultural water quality in Vermont. This program will create a framework that uses indicators of progress as the key measurement unit and, where applicable, nutrient and/or sediment reduction measures. This effort will entail an assessment of the various conservation programs and staff resources from agricultural organizations in order to improve their ability to help establish and implement the 5 year goals and progressive measures. Incorporating the on-going efforts of multiple partners into a process will support the restoration of Lake Champlain and other Total Maximum Daily Load (TMDL)-based nutrient pollution reduction efforts in Vermont. A Certainty Program for agriculture in Vermont could contribute to the "reasonable assurances" needed regarding nonpoint source phosphorus load reductions in the revised Lake Champlain TMDL being prepared by the United States Environmental Protection Agency (EPA).

This program represents an innovative approach to tackling water quality issues in the State of Vermont, and aims to develop a system for agricultural nonpoint source pollution reduction that will satisfy both the EPA and Vermont's farmers.

MAR 15 2013



STATEMENT OF WORK FOR GRANT AGREEMENT

between the

UNITED STATES DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

and the

THE VERMONT AGENCY OF AGRICULTURE, FOOD, AND MARKETS

Relative to: Proposal entitled "Development of an Agricultural Water Quality Certainty Program in Vermont," submitted in response to the 2012 Vermont Conservation Innovation Grant (CIG) program.

This agreement is entered into by and between the USDA, Natural Resources Conservation Service hereinafter referred to as the "NRCS" and The Vermont Agency of Agriculture, Food, and Markets, hereinafter referred to as "VAAFMM".

I. PURPOSE

This award is for VAAFMM to develop a coordinated program among various agricultural partners that supports agricultural water quality improvements while providing a level of "certainty" to agricultural producers that engage in water quality improvement projects.

II. AUTHORITY

Environmental Quality Incentive Program (EQIP), 16 U.S.C. 3839aa-3839aa-8, 3841, 7 CFR Part 1466 (CFDA 10.912); Food, Conservation and Energy Act of 2008 (Public Law 110-246).

III. OBJECTIVES

This project aims to develop a Certainty Program for agricultural water quality in Vermont. This program will create a framework that uses indicators of progress as the key measurement unit and where applicable nutrient and/or sediment reduction measures. This effort will entail an assessment of the various conservation programs and staff resources from agricultural organizations in order to improve their ability to help establish and implement the 5 year goals and progressive measures. Incorporating the on-going efforts of multiple partners into a process will support the restoration of Lake Champlain and other TMDL-based nutrient pollution reduction efforts in Vermont. A Certainty Program for agriculture in Vermont could contribute to the "reasonable assurances" needed regarding nonpoint source phosphorus load reductions in the revised Lake Champlain TMDL being prepared by the EPA.

IV. RESPONSIBILITIES OF THE PARTIES

A. NRCS will:

1. Provide funding in the amount not to exceed \$75,000 towards the work described under the expected accomplishment and deliverables of this agreement.
2. Provide any necessary guidance and direction to the recipient to ensure deliverables are accomplished in a timely manner.
3. Review project deliverables for proper format and acceptable documentation.
4. Upon review and approval of the accomplishments and deliverables along with proper documentation submit payment for the costs attributable to the completion of the work set forth in this agreement.
5. Provide the following as contacts:

	<u>Technical Contact</u>	<u>Administrative Contact</u>
Name:	Bob Kort	Mary Sturgeon
Address:	356 Mountain View Dr. Colchester, VT 05446	356 Mountain View Dr. Colchester, VT 05446
Phone:	(802) 951-6796 X 233	(802) 951-6796 X221
Fax:	(802) 655-0638	(802) 655-0638
Email:	bob.kort@vt.usda.gov	mary.sturgeon@vt.usda.gov

Programmatic Contact

Rachel Phillips-Tibbetts, Acting ASTC-Programs
356 Mountain View Dr.
Colchester, VT 05446
(802) 95106796 X 228
(802) 655-0638 (fax)
rachel.phillips@nh.usda.gov

B. VAAFAM will:

1. Accomplish the deliverables on time according to the milestones outlined in this agreement.
2. Contact the NRCS technical contact for any needed clarification or guidance throughout the project.
3. Submit all deliverables with sufficient time for review and necessary revision prior to the final approval.
4. Comply with the attached General Terms and Conditions.
5. Submit an accrual report to the NRCS technical contact by the 11th day of the month before close of the Federal fiscal year quarter, i.e., March 11, June 11, September 11, and December 11.
6. Submit a quarterly progress report and Federal Financial Report (SF-425) to the NRCS technical contact.

7. Submit a brief description of activities accomplished during the billing period (not required if billing quarterly) and a supporting statement of expenditures with each request for advance or reimbursement (SF-270).
8. Provide the following as contacts:

	<u>Technical Contact</u>	<u>Administrative Contact</u>
Name:	Laura DiPietro	Marcey Hodgdon
Address:	Vermont Agency of Agriculture, Food & Markets 116 State Street Montpelier, VT 05620	Vermont Agency of Agriculture, Food & Markets 116 State Street Montpelier, VT 05620
Phone:	(802) 828-1289	(802) 828-3567
Fax:	(802) 828-1410	(802) 828-1410
Email:	laura.dipietro@state.vt.us	marcey.hodgdon@state.vt.us

V. EXPECTED ACCOMPLISHMENTS AND DELIVERABLES

A list of project deliverables are as follows:

- A process for conducting extensive outreach to the farming community and having facilitated discussions to assess alternative approaches to implementing water quality practices which can include changes to programs, policies and/or rules.
- A process for conducting extensive outreach to non-agricultural stakeholders including publicly owned wastewater treatment facilities, municipalities, and other organizations in sharing the Certainty Program developments within the farming sector. Additional efforts beyond this grant will focus on these external stakeholders (stormwater and wastewater) to develop similar Certainty Program targets so that a holistic Certainty Program can be achieved.
- A continuation of the partnership to reduce nutrient pollution into Lake Champlain, involving the Vermont Agency of Agriculture, Food, and Markets, the Vermont Agency of Natural Resources Department of Environmental Conservation, the Vermont Association of Conservation Districts, the Vermont office of NRCS, US Fish & Wildlife Service, Southern Vermont Nutrient Management Program and the Lake Champlain Basin Program.
- Development of a geospatial database for all agricultural partners to track progress on water quality goals and have a basis for creating current Certainty Program targets and then to utilize adaptive management as future goals are developed.
- Collect practice implementation from agricultural operations and input into the geospatial database.
- Framework, based on Geographic Information System (GIS) for identifying and targeting CSAs in Vermont in order to accelerate water quality improvements on agricultural operations;
- A draft Certainty Program that describes a 5 year strategy to address water quality goals for agricultural non point source pollution, established backstops to ensure successful implementation of practices in the identified strategies, and progressive targets that help guide the next 5 year target once the initial 5 year strategy is achieved;
- An internal trading mechanism to attain the 5 year target strategies which allows for a balance where implementation exceeds some identified targets and other targets were not achieved. The balance will be focused on equivalent estimated phosphorus reductions.

- Additional activities, including: (a) semi-annual reports; (b) detailed descriptions accompanying payment invoices; (c) a final report on the project's progress; (d) criteria for evaluating certainty targets; (e) a public information fact sheet; (f) public informational meetings; and (g) participation in one NRCS-sponsored event during the course of the grant.

Accomplishments and deliverables are further detailed in the proposal grant application.

VI. PERIOD OF PERFORMANCE

Project timeline will begin with the date of the last signature on the agreement and shall remain in effect for two years and four months.

VII. MILESTONES

Project Actions	Timeframe	Milestones
1. Meet with the MOU and EPA leadership to outline Certainty Program and goals established under CIG grant	Sept – Dec 2012	
2. Work with MOU and EPA leadership and all levels of policy coordination to develop the draft Certain Program framework including AM and OfA goals	Sept 2012 – March 2013	
3. Hold agricultural stakeholders meetings in 3 locations across Vermont to review and revise the Certainty Program framework	April – Sept 2013	
4. Hold broader water quality stakeholder meetings in 3 locations across Vermont to review and revise the Certainty Program framework	Oct – Dec 2013	
5. Develop a geospatial database of MOU partner agricultural data	Sept 2012 – Sept 2014	
6. Work with EPA to incorporate the Certainty Program into the Implementation Plan for the Lake Champlain TMDL and gain acceptance that the Certainty Program will meet reasonable assurances	Sept 2012 – Sept 2014	
7. Work with partners to develop a geospatial CSA approach for Vermont, excluding Missisquoi river and Otter Creek watersheds.	Sept 2012 – Sept 2014	
8. Develop survey and incentive for farms to share non-state/federal conservation practice information. Enter this information into the geospatial database.	Jan 2014 – Sept 2014	
9. Develop phosphorus indicators associated with Certainty Program targets.	Sept 2012 – Dec 2013	