

Session 2. Public Funding Program Updates

Notes Submitted by Kristine Lister, Duke University

Moderator: Sacha Spector, the Doris Duke Foundation

Panelists:

- Lesley Kane Szynal, Executive Director of Outdoors America at the Open Space Institute and Chair of the Land and Water Conservation Fund Coalition (LWCF Coalition)
- Laura Gallagher, Environmental Policy Analyst at the US Department of Agriculture (USDA)
- Carmen Young, Conservation Finance Partnership Coordinator at the US Forest Service (USFS)

Key Takeaways

- This session discussed our current moment: we now have more conservation funding opportunities at the state and federal level than ever before. This session considered how we distribute funds from the federal to the local level, while considering the following questions:
 - How do we share this new conservation funding in an equitable way?
 - How will this funding change the way we finance conservation?
- The Inflation Reduction Act (IRA) and other public funding programs are investing in conservation programs through multiple federal agencies: the USDA is creating markets for climate-smart commodities, developing methods to quantify greenhouse gas emissions, and assisting farmers, ranchers and private forest owners; the LWCF is providing funding for conservation and recreation projects in addition to the Forest Legacy Program (FLP) and the Outdoor Recreation Legacy Partnership (ORLP); and the USFS is using IRA funding to support partners in developing innovative finance programs for forests and feasibility studies for conservation finance projects and support for piloting and scaling up projects.
- One challenge in public funding is timing for both receiving funding and in completing projects. For example, the USFS often has appropriation deadlines of 5 years, but partners can have outcome timelines of 15 years. And there can often be a lag time between when awards are announced and funding received. Each of the panelists discussed methods for supporting grantees and are working to address cohesion in managing grants and reducing lag times.

Sacha Spector introduced the panel with an overview of the influx of federal funding from the Inflation Reduction Act, Bipartisan Infrastructure Law, fully funded Land and Water Conservation Fund, and beyond. He then turned it to each panelist to describe their respective agency and programs.

Presentation from Laura Gallagher, USDA:

The USDA is supporting working lands and climate smart agriculture and forestry in three ways:

- Direct investment of public funds, including Inflation Reduction Act funding, through the [Environmental Quality Incentives Program](#) (EQIP).
- The [Partnership for Climate-Smart Commodities program](#), which is investing \$3.1 billion for 141 projects providing technical and financial assistance to climate smart commodity production with farmers, ranchers, and private forest landowners. The program is additionally piloting cost-effective methods for quantification, monitoring, reporting and verification of greenhouse gas benefits and developing markets for climate-smart commodities.
- Facilitating participation in private markets with the Growing Climate Solutions Act. The Growing Climate Solutions Act (GCSA) “authorizes the Department of Agriculture (USDA) to establish a voluntary Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Certification Program to help reduce entry barriers into voluntary environmental credit markets for farmers, ranchers, and private forest landowners,” ([Growing Climate Solutions Act](#)). USDA intends to establish these programs this year ([USDA Press Release](#)).

Presentation from Lesley Kane Szynal, Outdoors America:

The Land and Water Conservation Fund (LWCF) funds conservation and recreation projects across the United States, with 40% for federal land acquisition programs through NPS, USFWS, BLM, and USFS, 40% to state grant programs, and the remaining 20% divided between programs based on project need. LWCF has funded projects in every state and 98% of counties, and they are locally driven by collaborative efforts among stakeholders ([LWCF Past Projects](#)).

The current priorities for the [LWCF Coalition](#), which Outdoors America leads, include overcoming roadblocks and eliminating bad policies from the previous Administration (including appraisal bottlenecks with USDA and Department of Interior and creating consistent policies for work with non-profit partners); creating efficiencies to increase the pace and scale of LWCF projects on an annual basis; and growing agency staffing. The LWCF Coalition is working to increase LWCF in the Budget and Appropriations process, with members asking for \$450M.

The LWCF funds programs such as the [Forest Legacy Program](#) (FLP) and the [Outdoor Recreation Legacy Partnership](#) (ORLP). Forest Legacy is administered by the U.S. Forest Service to assist states and private forest owners in maintaining working forest lands through conservation easements and fee acquisitions. The Inflation Reduction Act added \$700 million for Forest Legacy, with first round of awards announced in June 2023. The second round closes May 2024 for large landscapes, tribal collaborations, and small/family tracts.

The Outdoor Recreation Legacy Partnership (ORLP) invests in outdoor recreation opportunities in underserved communities. The [Outdoors for All Act](#) would codify the ORLP program and provide direct access to LWCF for Tribes (with the population requirement waived for tribes), include smaller communities, and allow for a match waiver at the secretary's discretion. The Outdoors for All just passed the House as part of the [EXPLORE Act](#)!

Presentation from Carmen Young, U. S. Forest Service:

Carmen works in the [US Forest Service's National Partnerships Office](#), which manages partnerships between the USFS and nonprofit and for-profit entities; rural, urban, and tribal communities; universities and minority-serving institutions; land management agencies; and more. Carmen helps to negotiate agreements with various partners. Their agency received \$10 billion from the IRA for partnerships in the form of grants, partnership agreements, contracts, and through regional offices. The grant program includes support for innovative finance for forests and feasibility studies for conservation finance projects and support for piloting and scaling up projects.

Panel Questions:

1. Across all the agencies that are dealing with influx of public money, there is a lot of money flowing through programs that have not had this amount of money in the past, and on a timeframe that is tight. How are the agencies going to move this money to the ground in ways that are innovative and effective?
 - a. Carmen: Oftentimes we have appropriation deadlines of 5-years, but partners can have outcome timelines of 15 years. They do have the ability to ask for extension requests, but this is a discussion for USFS. Keystone agreements between USFS and partners can help to distribute funds equitably. Additionally, USFS is trying to get projects off the ground by building into agreements funding for technical support, including project planning and partnership development.
 - b. Lesley: the Forest Legacy program has really been leaning into making their program more accessible. They've staffed up, awarded capacity grants to states, talked to partners/states and what they wanted to see, and held office hours to answer grant questions.
2. There are some initiatives that are pushing the envelope and supporting transformational change, such as the Partnerships for Climate Smart Commodities program. What are we learning from these projects that are different in terms of policy approaches that unlock new markets for conservation and conservation finance?
 - a. Laura: We're in a really interesting moment right now. A lot of projects are in their first or second year of enrolling growers. One of the early learnings she's seen is in corporations taking sustainability seriously. A lot of companies have made GHG commitments, and now they have to deliver. These pilots are really helpful demonstrations.

- b. Carmen: Many of the projects she's seen provide upfront financing. They have also heard the need for a local partnership development structure and a collective governance structure.

Audience Questions:

1. What are methods beyond using funding to fund conservation projects. Is there any promise in a new tax on recreation?
 - a. Lesley: this is a complicated question: you have to look at the recreation industry's wants if you wanted to implement a recreation tax.
2. One challenge is the delay between announcing awards and delivering money, do you see that in your programs and how do you address it?
 - a. Lesley: Some of the programs are moving funds quickly and some are not. There were also previously sometimes inconsistencies in how regional offices would apply policies. The LCWF has made this a top priority to reduce the lag time in delivering money.
3. Follow up: is front loading funding an issue for these funding sources?
 - a. Lesley: Mostly not, the main risk is in grantees not delivering. However, it could be helpful and is necessary in some projects, such as urban parks
4. Overhead caps can be limiting for engaging with partners, how are you thinking about this?
 - a. We ran out of time for a full discussion, but the panelists agree this is an issue, especially in partnerships with multiple organizations.