

Subtitle E--Regional Conservation Partnership Program

SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PROGRAM.

(a) *In General.*--Title XII of the Food Security Act of 1985 is amended by inserting after subtitle H (as added by section 2301) the following:

``Subtitle I--Regional Conservation Partnership Program

``SEC. 1271. ESTABLISHMENT AND PURPOSES.

``(a) *Establishment.*--The Secretary shall establish a Regional Conservation Partnership Program to implement eligible activities through--

``(1) partnership agreements with eligible partners; and

``(2) contracts with producers.

``(b) *Purposes.*--The purposes of the program are--

``(1) to combine the purposes and coordinate the functions of--

``(A) the agricultural water enhancement program established under section 1240I;

``(B) the Chesapeake Bay watershed program established under section 1240Q;

``(C) the cooperative conservation partnership initiative established under section 1243; and

``(D) the Great Lakes basin program for soil erosion and sediment control established under section 1240P;.

``(2) to further the conservation, restoration, and sustainable use of soil, water, wildlife, and related natural resources on a regional or watershed scale; and

``(3) to encourage partners to cooperate with producers in--

``(A) meeting or avoiding the need for national, State, and local natural resource regulatory requirements related to production; and

“(B) implementing projects that will result in the installation and maintenance of eligible activities that affect multiple agricultural or nonindustrial private forest operations on a local, regional, State, or multi-State basis.

“SEC. 1271A. DEFINITIONS.

“In this subtitle:

“(1) **COVERED PROGRAMS.**--The term ‘covered programs’ means--

“(A) the agricultural conservation easement program;

“(B) the environmental quality incentives program; and

“(C) the conservation stewardship program.

“(2) **ELIGIBLE ACTIVITY.**--The term ‘eligible activity’ means any of the following conservation activities when delivered through a covered program:

“(A) Water quality restoration or enhancement projects, including *nutrient management* and sediment reduction.

“(B) Water quantity conservation, restoration, or enhancement projects relating to surface water and groundwater resources, including--

“(i) the conversion of irrigated cropland to the production of less water-intensive agricultural commodities or dryland farming; and

“(ii) irrigation system improvement and irrigation efficiency enhancement.

“(C) Drought mitigation.

“(D) Flood prevention.

“(E) Water retention.

“(F) Habitat conservation, restoration, and enhancement.

“(G) Erosion control.

“(H) Other related activities that the Secretary determines will help achieve conservation benefits.

“(3) **ELIGIBLE PARTNER.**--The term ‘eligible partner’ means any of the following:

“(A) An agricultural or silvicultural producer association or other group of producers.

“(B) A State or unit of local government.

“(C) An Indian tribe.

“(D) A farmer cooperative.

“(E) An institution of higher education.

“(F) An organization with an established history of working cooperatively with producers on agricultural land, as determined by the Secretary, to address--

“(i) local conservation priorities related to agricultural production, wildlife habitat development, and nonindustrial private forest land management; or

“(ii) critical watershed-scale soil erosion, water quality, sediment reduction, or other natural resource concerns.

“(4) **PARTNERSHIP AGREEMENT.**--The term ‘partnership agreement’ means an agreement between the Secretary and an eligible partner.

“(5) **PROGRAM.**--The term ‘program’ means the Regional Conservation Partnership Program established by this subtitle.

“**SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.**

“(a) *Partnership Agreements Authorized.*--The Secretary may enter into a partnership agreement with an eligible partner to implement a project that will assist producers with installing and maintaining an eligible activity.

“(b) *Length.*--A partnership agreement shall be for a period not to exceed 5 years, except that the Secretary may extend the agreement 1 time for up to 12 months when an extension is necessary to meet the objectives of the program.

“(c) *Duties of Partners.*--

“(1) **IN GENERAL.**--Under a partnership agreement, the eligible partner shall--

“(A) define the scope of a project, including--

“(i) the eligible activities to be implemented;

“(ii) the potential agricultural or nonindustrial private forest operations affected;

“(iii) the local, State, multi-State or other geographic area covered; and

“(iv) the planning, outreach, implementation and assessment to be conducted;

“(B) conduct outreach and education to producers for potential participation in the project;

“(C) at the request of a producer, act on behalf of a producer participating in the project in applying for assistance under section 1271C;

“(D) leverage financial or technical assistance provided by the Secretary with additional funds to help achieve the project objectives;

“(E) conduct an assessment of the project's effects; and

“(F) at the conclusion of the project, report to the Secretary on its results and funds leveraged.

“(2) **CONTRIBUTION.**--A partner shall provide a significant portion of the overall costs of the scope of the project as determined by the Secretary.

“(d) *Applications.*--

“(1) **COMPETITIVE PROCESS.**--The Secretary shall conduct a competitive process to select applications for partnership agreements and may assess and rank applications with similar conservation purposes as a group.

“(2) **CRITERIA USED.**--In carrying out the process described in paragraph (1), the Secretary shall make public the criteria used in evaluating applications.

“(3) **CONTENT.**--An application to the Secretary shall include a description of--

“(A) the scope of the project as described in subsection (c)(1)(A);

“(B) the plan for monitoring, evaluating, and reporting on progress made towards achieving the project's objectives;

“(C) the program resources requested for the project, including the covered programs to be used and estimated funding needed from the Secretary;

“(D) the partners collaborating to achieve project objectives, including their roles, responsibilities, capabilities, and financial contribution; and

“(E) any other elements the Secretary considers necessary to adequately evaluate and competitively select applications for funding under the program.

“(4) **APPLICATION SELECTION.**--

“(A) **PRIORITY TO CERTAIN APPLICATIONS.**--The Secretary shall give a higher priority to applications that--

“(i) assist producers in meeting or avoiding the need for a natural resource regulatory requirement;

“(ii) significantly leverage non-Federal financial and technical resources and coordinate with other local, State, regional, or national efforts;

“(iii) deliver high percentages of applied conservation to address conservation priorities or local, State, regional, or national conservation initiatives; or

“(iv) provide innovation in conservation methods and delivery, including outcome-based performance measures and methods.

“(B) **OTHER APPLICATIONS.**--The Secretary may give priority to applications that--

“(i) have a high percentage of producers in the area to be covered by the agreement; or

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“(ii) meet other factors that are important for achieving the purposes of the program, as determined by the Secretary.

“**SEC. 1271C. ASSISTANCE TO PRODUCERS.**

“(a) *In General.*--The Secretary shall enter into contracts to provide financial and technical assistance to--

“(1) producers participating in a project with an eligible partner as described in section 1271B; or

“(2) producers that fit within the scope of a project described in section 1271B or a critical conservation area designated pursuant to section 1271F, but who are seeking to implement an eligible activity independent of a partner.

“(b) *Terms and Conditions.*--

“(1) **CONSISTENCY WITH PROGRAM RULES.**--

“(A) **IN GENERAL.**--Except as provided in subparagraph (B), the Secretary shall ensure that the terms and conditions of a contract under this section are consistent with the applicable rules of the covered programs to be used as part of the project, as described in the application under section 1271B(d)(3)(C).

“(B) **ADJUSTMENTS.**--Except for statutory program requirements governing appeals, payment limitations, and conservation compliance, the Secretary may adjust the discretionary program rules of a covered program--

“(i) to provide a simplified application and evaluation process; and

“(ii) to better reflect unique local circumstances and purposes if the Secretary determines such adjustments are necessary to achieve the purposes of the program.

“(2) **ALTERNATIVE FUNDING ARRANGEMENTS.**--

“(A) **IN GENERAL.**--For the purposes of providing assistance for land described in subsection (a) and section 1271F, the Secretary may enter into alternative funding arrangements with a multistate water resource agency or authority if--

“(i) the Secretary determines that the goals and objectives of the program will be met by the alternative funding arrangements;

“(ii) the agency or authority certifies that the limitations established under this section on agreements with individual producers will not be exceeded; and

“(iii) all participating producers meet applicable payment eligibility provisions.

“(B) **CONDITIONS.**--As a condition on receipt of funding under subparagraph (A), the multistate water resource agency or authority shall agree--

“(i) to submit an annual independent audit to the Secretary that describes the use of funds under this paragraph;

“(ii) to provide any data necessary for the Secretary to issue a report on the use of funds under this paragraph; and

“(iii) not to use any funds for administration or contracting with another entity.

“(C) **LIMITATION.**--The Secretary may enter into not more than 10 alternative funding arrangements under this paragraph.

“(c) *Payments.*--

“(1) **IN GENERAL.**--In accordance with statutory requirements of the covered programs involved, the Secretary may make payments to a producer in an amount determined by the Secretary to be necessary to achieve the purposes of the program.

“(2) **PAYMENTS TO CERTAIN PRODUCERS.**--The Secretary may provide payments for a period of 5 years--

“(A) to producers participating in a project that addresses water quantity concerns and in an amount sufficient to encourage conversion from irrigated to dryland farming; and

“(B) to producers participating in a project that addresses water quality concerns and in an amount sufficient to encourage adoption of conservation practices and systems that improve nutrient management.

“(3) **WAIVER AUTHORITY.**--To assist in the implementation of the program, the Secretary may waive the applicability of the limitation in section 1001D(b)(2) of this Act for participating producers if the Secretary determines that the waiver is necessary to fulfill the objectives of the program.

“**SEC. 1271D. FUNDING.**

“(a) *Availability of Funds.*--The Secretary shall use \$100,000,000 of the funds of the Commodity Credit Corporation for each of fiscal years 2013 through 2017 to carry out the program established under this subtitle.

“(b) *Duration of Availability.*--Funds made available under subsection (a) shall remain available until expended.

“(c) *Additional Funding and Acres.*--

“(1) **IN GENERAL.**--In addition to the funds made available under subsection (a), the Secretary shall reserve 8 percent of the funds and acres made available for a covered program for each of fiscal years 2013 through 2017 in order to ensure additional resources are available to carry out this program.

“(2) **UNUSED FUNDS AND ACRES.**--Any funds or acres reserved under paragraph (1) for a fiscal year from a covered program that are not obligated under this program by April 1 of that fiscal year shall be returned for use under the covered program.

“(d) *Allocation of Funding.*--Of the funds and acres made available for the program under subsections (a) and (c), the Secretary shall allocate--

“(1) 25 percent of the funds and acres to projects based on a State competitive process administered by the State conservationist, with the advice of the State technical committee;

“(2) 40 percent of the funds and acres to projects based on a national competitive process to be established by the Secretary; and

“(3) 35 percent of the funds and acres to projects for the critical conservation areas designated in section 1271F.

“(e) *Limitation on Administrative Expenses.*--None of the funds made available under the program may be used to pay for the administrative expenses of partners.

“**SEC. 1271E. ADMINISTRATION.**

“(a) *Disclosure*.--In addition to the criteria used in evaluating applications as described in section 1271B(d)(2), the Secretary shall make publicly available information on projects selected through the competitive process described in section 1271B(d)(1).

“(b) *Reporting*.--Not later than December 31, 2013, and for every 2 years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status of projects funded under the program, including--

“(1) the number and types of partners and producers participating in the partnership agreements selected;

“(2) the number of producers receiving assistance;

“(3) total funding committed to projects, including Federal and non-Federal resources; and

“(4) a description of how the funds under section 1271C(b)(3) are being administered, including--

“(A) any oversight mechanisms that the Secretary has implemented;

“(B) the process through which the Secretary is resolving appeals by program participants; and

“(C) the means by which the Secretary is tracking adherence to any applicable provisions for payment eligibility.

“SEC. 1271F. CRITICAL CONSERVATION AREAS.

“(a) *In General*.--When administering the funding described in section 1271D(d)(3), the Secretary shall select applications for partnership agreements and producer contracts within designated critical conservation areas.

“(b) *Critical Conservation Area Designations*.--

“(1) **IN GENERAL**.--The Secretary shall designate up to 6 geographical areas as critical conservation areas based on the degree to which an area--

“(A) includes multiple States with significant agricultural production;

“(B) is covered by an existing regional, State, binational, or multistate agreement or plan that has established objectives, goals and work plans and is adopted by a Federal, State, or regional authority;

“(C) has water quality concerns, including concerns for reducing erosion, promoting sediment control, and *addressing nutrient management* activities affecting large bodies of water of regional, national, or international significance;

“(D) has water quantity concerns, including--

“(i) concerns for groundwater, surface water, aquifer, or other water sources; or

“(ii) a need to promote water retention and flood prevention; or

“(E) is subject to regulatory requirements that could reduce the economic scope of agricultural operations within the area.

“(2) **EXPIRATION.**--Critical conservation area designations under this section shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw designation from an area if the Secretary finds the area no longer meets the conditions described in paragraph (1).

“(c) *Administration.*--

“(1) **IN GENERAL.**--Except as provided in paragraph (2), the Secretary shall administer any partnership agreement or producer contract under this section in a manner that is consistent with the terms of the program.

“(2) **RELATIONSHIP TO EXISTING ACTIVITY.**--The Secretary shall, to the maximum extent practicable, ensure that eligible activities carried out in critical conservation areas designated under this section complement and are consistent with other Federal and State programs and water quality and quantity strategies.”.

(b) *Effective Date.*--The amendment made by this section shall take effect on October 1, 2012.